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DAILY REPORT

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CABINET ENDORSES 'AUSTERE' 1987 BUDGET

OW300749 Tokyo KYODO in English 0716 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The government Tuesday adopted an austere budget for fiscal 1987, starting next April, with particular emphasis on national security that will breach Japan's decade-old policy of keeping defense spending within 1 percent of the nation's Gross National Product (GNP).

The budget, endorsed at a special cabinet meeting, set aside outlays of 32,583 billion yen in general expenditures or actual fiscal spending down 0.002 percent from the original fiscal 1986 budget, marking the fifth consecutive year-on-year drop.

Most categories in general expenditures were either restricted to marginal increases or cut back from the current fiscal year levels in line with Prime Minister Yasuhiro Nakasone's avowed policy of rebuilding deficit-ridden national finances. But national defense spending, aid to developing countries and social welfare escaped cuts, gaining 5.2 percent, 4.2 percent and 6.1 percent, respectively. Japan's defense budget has shown a conspicuous gain in the past five years partly because the United States pressed Japan to shoulder more defense responsibilities in Asia.

Fiscal 1987 defense spending of 3,517.43 billion yen accounts for 1.004 percent of the estimated GNP for fiscal 1987, an amount exceeding the limit which the then cabinet set in 1976. The topping of the "1 percent limit" is expected to come to a head in parliamentary deliberations when the current Diet reconvenes after the new year recess.

General expenditure is a major portion of the overall budget or general account which gained a marginal increase of 0.02 percent to 54,101 billion yen, the smallest rise in 32 years. The general account also covers subsidies to local governments and debt servicing costs such as redemptions and interest payments on government bonds.

The government also appropriated 27,081 billion yen for the fiscal investment and loan program -- a companion budget financed by postal savings and other government-controlled revenues -- for a hefty 22.2 percent gain over the previous fiscal year, compared with a 6.2 percent rise in fiscal 1986.

The sharp increase in the program is aimed at expanding public works, an important budget ingredient with a major pump-priming effect, to supplement fiscal spending for public works which was reduced by 1.9 percent to 6,017 billion yen in the budget.

Officials said the government managed to secure at least a 5 percent increase in the value of overall public works projects, aided by increased funding from fiscal investment and loan programs, private-sector finances and other means.

Behind the need for increased public works spending is the fact that the yen's upsurge is cutting into export earnings of major Japanese industries, thus slowing the overall economy, and also Japan's trading partners such as the U.S. are pushing Japan to reduce its trade surplus by increasing imports.

In an effort to fulfill a target of stopping the insurance of deficit-financing bonds by fiscal 1990, the government was hoping to cut new bond issues by 1 trillion yen but the budget calls for 10.5 trillion yen worth of bond offerings in fiscal 1987, a drop of 445 billion yen. The balance of national bonds will thus amount to about 152 trillion yen at the end of fiscal 1987, compared with an estimated 145 trillion yen at the end of the current fiscal year. The ratio of bond issues to total revenues, or dependence of the state finances on borrowing, came to 19.4 percent, the first time it has dropped below 20 percent since fiscal 1975.

Social welfare outlays were given a 6.1 percent increase to 2,016 billion yen as the government feels the need to prepare for an aging society.

Other important decisions made in the compilation of the budget include approvals for the start of the construction of five new shinkansen (bullet train) lines in Japan, a "condolence and sympathy" allowance for Taiwanese-born troops who served in the Japanese Imperial Army during World War II, and compensation for veterans who were detained in Siberia during the war.

On the revenue side, the government assumed modest gains of 1.6 percent in tax revenues, set at 41,194 billion yen, but a drop of 6.8 percent in nontax revenues at 2,406 billion yen.

The assumptions were based on the government's official economic outlook for fiscal 1987, which foresees an inflation-adjusted growth of 3.5 percent in Japan's economy, up from an estimated 3 percent in the current fiscal year.

Defense Spending Boosted

OW300811 Tokyo KYODO in English 0741 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The government Tuesday allocated 3,517.4 billion yen for defense outlays in the fiscal year beginning in April in a controversial budget marking a major departure from a decade-old policy restricting military spending to within 1 percent of Gross National Product (GNP).

The amount, a 5.2 percent rise from the current fiscal year, tops 1 percent of estimated GNP for the first time since the government's self-imposed ceiling for defense spending was set in 1976, officials said.

The defense budget was one of the few government outlays to escape sharp cuts in the austere fiscal 1987 budget plan which the cabinet approved Tuesday.

The government will send the budget bill to the Diet for approval after the new year recess, and it is expected to draw intense flak from the opposition camp. Backed by the ruling Liberal-Democratic Party, the Defense Agency restored 37.9 billion yen in cuts which the Finance Ministry had imposed on the original budget draft last Thursday.

According to government estimates, the new defense budget represents 1.004 percent of the projected 350.4 trillion yen GNP in fiscal 1987.

While the budget plan marks a 5.2 percent increase in monetary terms from the current budget, the real growth in terms of spending power could be considerably higher because of the yen's appreciation and cheaper oil prices. "Oil prices have fallen substantially over the past year, and the yen has appreciated sharply against the dollar, while domestic prices have risen by only a little," a Finance Ministry official said in describing the enhanced purchasing power the new budget represents.

With the restored budget funds, the Defense Agency will also get most of the major military equipment it wanted for fiscal 1987.

A breakdown of the defense budget plan shows that:

-- the Ground Self-Defense Force [GSDF] will get 52 of the 56 type-74 tanks and all 43 of the 155-mm howitzers it wanted to order in fiscal 1987.

The GSDF request for eight AH-1s anti-tank helicopters and four CH-47 Chinook helicopters also went unscathed.

-- The Air Self-Defense Force [ASDF] will get 12 of the 16 U.S.-developed F-15J jet fighters, all three C-130 transport aircraft and 20 of the 23 T-4 trainer aircraft it wanted for fiscal 1987.

The government is also allocating funds for a second ground-to-air "Patriot" missile battery as requested by the ASDF.

-- Reflecting the government's sea-lane defense policy, the Maritime Self-Defense Force [MSDF] will be allowed to order all but one of the 14 warships, including one submarine, it wanted for fiscal 1987. The sole vessel purchase scuttled is a DE-type destroyer, one of three on the Defense Agency's original shopping list.

Briefing reporters on the defense budget, Finance Ministry officials said the government is allocating 36 percent of the defense budget, or 1,264.7 billion yen, for military equipment, which will be paid largely on a deferred basis.

Pay and food provisions will account for 43.9 percent of the budget pie, with 20.1 percent going to miscellaneous outlays including base installations and payments relating to residential areas close to military facilities, Finance Ministry officials said.

Servicewise, the GSDF will account for 36.6 percent of the budget, with 25.5 percent going to the ASDF and 24.5 percent to the MSDF, and the rest going to the Defense Agency.

Japanese Budget Breakdown

OW300829 Tokyo KYODO in English 0732 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The following is a table of the fiscal 1987 budget announced by the government Tuesday (figures are in millions of yen. The right-hand column shows year-on-year percentage changes)

	FY 87	FY 86	PC
<hr/>			
(Revenues)			
Tax and Stamp Receipts	41,194,000	40,560,000	1.6
Nontax Revenues	2,406,019	2,582,643	-6.8
Govt Bonds	10,501,000	10,946,000	-4.1
Total	54,101,019	54,088,643	0.02
(Expenditures)			
Govt Bond Servicing	11,333,530	11,319,518	0.1
Grants to Local Govts	10,184,120	10,184,955	-0.008
General Expenditures	32,583,369	32,584,170	-0.002
Total	54,101,019	54,088,643	0.02
(Breakdown of General Expenditures)			
Social Security	10,089,556	9,834,555	2.6
Education and Science	4,849,687	4,844,516	0.1
Pensions	1,895,612	1,850,139	2.5
Defense	3,517,434	3,343,549	5.2
Public Works	6,017,334	6,135,903	-1.9
Disaster Relief	65,078	87,441	-25.6
Economic Cooperation	649,228	623,244	4.2
Small Business Measures	197,348	205,218	-3.8
Energy Measures	495,231	629,680	-21.4
Food Control Account	540,580	596,188	-9.3
Other Expenses	3,916,281	4,083,739	-4.1
Reserves	350,000	350,000	0.0
Total	32,583,369	32,584,170	-0.002
Fiscal Loan and Investment	27,081,300	22,155,100	22.2

Nakasone Defends Defense Budget

OW300525 Tokyo KYODO in English 0517 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- Prime Minister Yasuhiro Nakasone Tuesday dismissed concern that Japan may turn itself into a major military power after the government abandons a decade-old policy to hold defense spending below 1 percent of the Gross National Product. When asked by reporters about his concern, Nakasone responded, "Absolutely none." He made the snap comment shortly after top leaders of the ruling Liberal-Democratic Party [LDP] gave the go-ahead late Monday night for a 3,517.4 billion yen defense budget for the new fiscal year, which begins next April 1. The sum marks a 5.2 percent increase from the current fiscal year.

The cabinet is expected to act on the defense spending later Tuesday when it formalizes government approval for the fiscal 1987 budget plan. The amount would push the defense outlays for fiscal 1987 past the "1 percent" limit for the first time since the government adopted the military spending guideline in November 1976. According to government figures, the sum represents 1.004 percent of the officially forecast 350.4 trillion yen GNP for fiscal 1987.

Nakasone said the LDP decision to scrap the 1-percent limit was "made reluctantly" as money was needed for improving facilities for the Self-Defense Force and upgrade its training capability.

The budget decision drew sharp criticism from the opposition camp but drew a warm welcome from the United States. In a strongly-worded protest statement released in the predawn hours Tuesday, Takako Doi, leader of the top-opposition Japan Socialist Party, called the measure a "reckless move" and vowed to carry a massive protest campaign to the streets starting on New Year's day.

In Washington, Defense Secretary Caspar Weinberger said that he was "very pleased" with Tokyo's decision to allow defense spendings to go beyond the 1 percent ceiling. Washington has long pressed Japan to spend more on defense to counter the Soviet military build-up in the Far East.

Foreign Minister Tadashi Kuranari, a close Nakasone ally, sounded optimistic in allaying concern among Japan's Asian neighbors about Japanese military intentions. "I think there shouldn't be any problem with our close neighbors," Kuranari told a news conference, arguing that the proposed defense budget "has just slightly exceeded" the 1-percent ceiling.

Following the LDP approval, the government's National Security Council was summoned into an emergency session in the early hours Tuesday. Chaired by Nakasone, the council endorsed the defense budgetary plan, but left the question open on how to set future guidelines on defense spending, Chief Cabinet Secretary Masaharu Gotoda said. Gotoda said the question will be addressed in another council session that is expected to convene Tuesday evening, noting that the government will exercise restraint in future military outlays.

Japan's basic defense policy is to maintain an "exclusively defensive" military readiness and keep the nation nuclear-free through the "three non-nuclear principles" of neither manufacturing nor possessing nuclear weapons or allowing nuclear weapons to be introduced to Japan.

Both Kuranari and Defense Agency Director-General Yuko Kurihara argued that the budget is necessary to implement the five-year military build-up program for 1986-1990 the government approved in September last year. The program calls for spending a total of 18.4 trillion yen for upgrading Japan's military capability in line with the national defense program outline. Adopted by the government in 1986, the defense program is designed to cope with what the Defense Agency calls a "limited and small-scale aggression."

Cabinet Secretary on Defense Spending

OW301035 Tokyo KYODO in English 1025 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The government vowed Tuesday Japan will not become a major military power and will respect the "spirit" of a guideline keeping defense spending below 1 percent of the nation's Gross National Product. Chief Cabinet Secretary Masaharu Gotoda made the pledge in a statement released after the cabinet approved a budget that would raise defense outlays for fiscal 1987 above the self-imposed 1 percent limit.

Apparently in a bid to resolve the contradiction, Gotoda said the government had decided not to apply the 1976 guideline in the new budget. He said the government will continue to respect the spirit of the guideline and will not turn Japan into a major military power that would threaten the security of other nations.

In an earlier session Tuesday, the cabinet decided to prepare new guidelines to regulate defense spending but will put off action until Prime Minister Yasuhiro Nakasone returns from his January 10-17 visit to Europe, officials said.

The 3,517.4 billion yen defense budget approved by the cabinet Tuesday would raise defense spending for fiscal 1987 to 1.004 percent of the projected GNP for the year.

Defense Guidelines Delayed

OW301041 Tokyo KYODO in English 0704 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The National Security Council, meeting for the second time Tuesday, decided to put off action on new guidelines for Japan's defense spending, postponing the decision until Prime Minister Yasuhiro Nakasone returns from his January 10-17 visit to Europe, officials said. The meeting preceded an extraordinary cabinet session which Nakasone summoned to formalize the stand.

The moves followed a decision Monday night by the ruling Liberal-Democratic Party [LDP] to allow next year's defense budget to breach the ceiling of 1 percent of Gross National Product [GNP] -- a defense spending guideline set in 1976.

Officials said the council agreed to observe the "spirit" of the 1976 guideline and called for the government to "act moderately" in future defense spending.

The council also agreed that the government should set new guidelines for defense spending but said it would wait until Nakasone's return from Europe before acting on the new policy.

Meanwhile, the council advised the government to make an exception to the 1976 ceiling for the fiscal 1987 budget, officials said.

In an emergency meeting held in the early hours Tuesday, the council decided to endorse the LDP approval to allocate 3,517.4 billion yen for defense outlays in the next fiscal year. The amount corresponds to 1.004 percent of the projected nominal GNP for fiscal 1987.

Reactions to Defense Increase

OW300535 Tokyo KYODO in English 0524 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- China and the Soviet Union appeared Tuesday to be taking a cautious attitude toward the Japanese Government's decision to raise defense spending beyond the "ceiling" of 1 percent of the country's Gross National Product (GNP), according to reports compiled by KYODO News Service.

European nations, however, seemed to go along with the United States in welcoming Prime Minister Yasuhiro Nakasone's decision to increase defense expenditures to 3,517.4 billion yen in fiscal 1987 starting next April 1.

The figure amounts to a 5.2 percent increase from the defense budget for the current fiscal year and accounts for 1.004 percent of the estimated GNP for fiscal 1987. The decision represents a break with the policy followed by successive government for the past decade of limiting defense outlays to 1 percent of GNP.

Neither China nor the Soviet Union made any immediate official comment on the prospective rise in Japan's defense spending. But a KYODO report from Beijing said it was likely to reinforce distrust of Japan among Chinese officials, who link the question of defense with other issues involving cabinet ministers' visits to Tokyo's Yasukuni Shrine for the war dead and school history textbooks.

When Nakasone visited Beijing in 1984 and in November this year he pledged that Japan would not become a major military power.

Chinese military leaders reportedly do not expect Japan to boost its military strength and are said to believe that Japan's current military capability is adequate.

Reports from Moscow said that Soviet newspapers have been branding Japan's efforts to reinforce its Self-Defense Forces as a "route toward militarism."

The Soviet Union, which has been critical of Nakasone's diplomatic and military policies, is expected to become even more critical of the Japanese Government, believing that the rise in defense outlays will lead to a deepening of the Japan-U.S. alliance.

The hike in defense spending may also affect the timing of Soviet leader Mikhail Gorbachev's visit to Japan, analysts said. The Soviet Union recently ruled out any possibility of a Gorbachev trip to Tokyo in the near future. Soviet officials said there must be a favorable environment in bilateral relations to enable Gorbachev to go to Japan.

Reports from Bangkok said Southeast Asian nations were not disturbed by the news, as they realized the increase in defense expenditures will not immediately allow Japan to take the road toward becoming a major military power.

A top aid to Thai Prime Minister Prem Tinsulanon said Thailand welcomed the Japanese Government decision. He said the Soviet Union's military power is the most serious threat to Southeast Asia, since the Soviets maintain military bases in Vietnam. An increase in Western deterrence is favorable to Thailand, the official said.

KYODO reports from London said member countries of the North Atlantic Treaty Organization (NATO) are most likely to welcome the Japanese decision if an increase in defense spending helps reinforce Japan's military power.

Britain and France have been saying that as an important member of the Western bloc, Japan should assume more responsibility for a strategic role toward the Soviet Union. They believe any increase in Japan's defense power will help them and lessen their burden, a stance that is basically in accord with that of the United States.

JOINT VENTURES WITH SOVIET PARTNERS PROPOSED

OW241251 Tokyo KYODO in English 1151 GMT 24 Dec 86

[Text] Tokyo, Dec. 24 KYODO -- Japanese enterprises have proposed 11 projects in the Soviet Union under a new Soviet joint venture law going into effect January 1, Japanese trade officials said Wednesday.

The officials said the Japanese proposals were among some 100 approaches Soviet enterprises received from foreign firms.

Negotiations on 15 proposals have already started, they said.

The disclosure was made by members of the Japan-U.S.S.R. business cooperation committee who attended a seminar on Soviet-Japanese joint ventures held in Moscow recently.

The proposed Soviet law calls for 51 percent majority ownership by Soviet enterprises in joint ventures with foreign firms.

The Soviet side will hold the presidency but other executive posts can be held by foreigners.

Joint firms will not be nationalized and there will be no restrictions on remittance of their earnings, the officials said.

FIRST SESSION OF THE EIGHTH SPA CONTINUES

Agenda Items Outlined

SK300330 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Text] [At the First Session of the Eighth SPA] The meeting elected the chairman and vice chairmen of the SPA as follows:

Chairman: Deputy Yang Hyong-sop

Vice chairmen: Deputies Son Song-pil and Yo Yon-ku

The meeting then elected the committee for reviewing the qualifications of SPA deputies.

The meeting adopted the agenda items of the First Session of the Eighth DPRK SPA as follows: 1) The election of the president of the DPRK, and 2) the election of the state guidance agencies of the DPRK.

The meeting discussed the first agenda item. On behalf of the Political Bureau of the WPK Central Committee, Deputy Yim Chun-chu first delivered a speech, holding in high esteem the president of the DPRK.

Outline of Events

SK300934 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Text] [At the First Session of the Eighth SPA] The attendees of the meeting discussed the second agenda item. In accordance with the proposal of the great leader Comrade Kim Il-song, president of the DPRK, the attendees of the meeting elected the vice presidents of the DPRK and the premier of the DPRK Administration Council.

The attendees of the meeting then went on to elect the chief secretary and members of the DPRK central people's committee, the chief secretary and members of the Standing Committee of the DPRK SPA, the Budgetary Review Committee of the DPRK SPA, and the Law Review Committee of the DPRK SPA. The attendees of the meeting appointed the chairman of the State Inspection Committee of the DPRK CPC and the director of the DPRK Central Prosecutor's Office and elected the director of the DPRK Central Court.

Entrusted by the great leader Comrade Kim Il-song, the president of the DPRK, Comrade Yi Kin-mo, premier of the DPRK Administration Council, announced the list of the vice premiers and members of the DPRK Administration Council. At the meeting, deputy Yi Kun-mo, premier of the Administration Council, took an oath before the great leader Comrade Kim Il-song, president of the DPRK. At the meeting, deputy Yim Chun-chu, chairman of the Committee for Reviewing the Qualifications of SPA deputies, presented the report of the Committee to Review the Qualifications of Deputies to the Eighth DPRK SPA.

Pak Song-chol Opening Speech

SK300407 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Opening speech by deputy Pak Song-chol at the First Session of the Eighth SPA held on 29 December at the Mansudae Assembly Hall -- Recorded]

[Text] Comrade deputies:

Today, we are holding the First Session of the Eighth SPA of the DPRK amid the great joy of vigorously demonstrating once again the might of unity and cohesion of our people, who have been firmly rallied around the party and the leader, and their absolute trust in our revolutionary sovereignty through the election of deputies to the SPA on 2 November in which 100 percent of voters participated and cast approval votes by 100 percent amid the surging political zeal of all of the working people throughout the country.

From the time of the election of deputies to the seventh SPA, our party, state, and people have registered proud successes in the struggle of the revolution and construction by thoroughly embodying the line of the three revolutions -- ideological, technological, and cultural -- upholding the banner of the *chuche* idea under the wise leadership of the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song.

Through the majestic struggle to model the whole society after the *chuche* idea, great progress has been effected in the ideological and spiritual traits of our people, the political and ideological unity of the entire party and all of the people with the leader as their center have been more firmly deepened, and the political force of our revolution has been extraordinarily strengthened.

By vigorously carrying out the struggle to occupy the 10 major prospective goals of socialist economic construction set forth at the Sixth WPK Congress under the wise leadership of the party our people not only have registered the proud success of successfully fulfilling the Second 7-Year Plan, but have also further strengthened the economic might of the country and have more firmly deepened our revolutionary base by building numerous modern plants, enterprises, and other great monumental edifices, including the Sohae lockgate.

By thoroughly implementing the principles and rules of the *chuche*-oriented state activity in all fields of the revolution and construction the government of the Republic has more outstandingly performed its function and role as the weapon for socialist and communist construction and has made it possible to further demonstrate superiority and vitality of the socialist system of our country.

Thanks to the peace-loving foreign policy and the active external activities of ours and the government of the Republic, friendly and cooperative relations with many countries in the world, including socialist countries and nonaligned countries, have been developed onto a new higher stage and international solidarity with the national reunification cause of our people has been further strengthened.

All proud victories and successes that our people have achieved under the banner of the Republic are totally the result of the excellent and tested leadership of the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song and the noble fruition of the immortal *chuche* idea. [applause]

Today, our people infinitely trust the regime of the Republic -- which has provided them with genuine freedom and happiness -- with lofty dignity as victors and firm faith in the future. They are vigorously struggling to successfully achieve the grand prospective goals of socialist economic construction and to achieve the independent and peaceful reunification of the country by firmly rallying themselves around the party and the leader upholding the revolutionary banner of the chuche idea.

The current SPA session will be an important occasion in the struggle to further strengthen the regime of the Republic, to accelerate socialist construction, and to expedite the complete victory of socialism and the historic cause of national reunification. [applause] The current SPA session has been attended by 646 delegates among the 655 SPA deputies who were newly elected in the recent election of deputies to the supreme sovereign organ of the Republic.

Firmly believing, together with many comrades here, that the current session will greatly contribute to developing our revolution by smoothly carrying out its work with the active participation of all of the comrade deputies, I declare the opening of the First Session of the Eighth SPA in accordance with Article 78 of Chapter 5 of the DPRK Socialist Constitution. [applause]

Yang Hyong-sop's Speech

SK300942 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Declaration by SPA Chairman Yang Hyong-sop at the First Session of the Eighth DPRK SPA held at the Mansudae assembly hall on 29 December that Kim Il-song has been held in high esteem as the president of the DPRK -- recorded]

[Text] Comrade deputies:

Entrusted by the Political Bureau of the WPK Central Committee, Deputy Yim Chun-chu has submitted to this meeting the proposal of the Political Bureau of the WPK Central Committee to invariably hold aloft Comrade Kim Il-song, the great leader of our party and people, in high esteem as the president of the DPRK, reflecting the unanimous will and ardent desire of all the people. Amid enthusiastic cheers, all comrade deputies and participants have absolutely supported and approved this proposal. [applause]

This reflects the iron-clad will and unshakable revolutionary faith of all the people to hold in high esteem as the great leader of our party, country, and people respected and beloved Comrade Kim Il-song, who has devoted his life to the cause of achieving the independence and prosperity of the fatherland, the freedom and happiness of the people, and the victory of the cause of socialism and communism; who has provided our people with today's endless honor and happiness; and who has turned our country into a wealthy, powerful, and dignified socialist country, forever generation after generation, and who has devoted his life to complete the chuche revolutionary cause under the wise leadership of the leader. [applause]

I solemnly declare that in accordance with the absolute will and unanimous desire of all the people, Comrade Kim Il-song, the founder and great leader of the DPRK and the respected and beloved leader of our party and people, who has attained immortal revolutionary achievements by creating and brilliantly materializing the great chuche idea by taking the lead early in our revolution thereby ushering in the new, great era of national prosperity for the history of the fatherland and has always led our party, country, and people along the single, straight road of victory with profound and tested leadership, has been held aloft in high esteem as the president of the DPRK. [cheers, applause]

SPA Elects Leadership

SK291325 Pyongyang Domestic Service in Korean 1042 GMT 29 Dec 86

[Text] The First Session of the Eighth DPRK SPA has elected the state guidance organs. The First Session of the Eighth DPRK SPA elected the vice presidents of the DPRK as follows:

Vice presidents of the DPRK: Comrades Pak Song-chol, Yim Chun-chu, Yi Chong-ok.

The First Session of the Eighth DPRK SPA elected Comrade Yi Kun-mo as premier of the DPRK Administration Council.

The First Session of the Eighth DPRK SPA elected the senior secretary and members of the DPRK Central People's Committee as follows:

Senior secretary: Comrade Chi Chang-ik;

Members: Comrades O Chin-u, Pak Song-chol, Yim Chun-chu, Yi Chong-ok, Yi Kun-mo, Hong Song-nam, So Yun-sok, Hyon Mu-kwang, Kang Hui-won, Cho Se-ung, Yun Ki-pok, Chi Chang-ik, Kim Pyong-yul, Paek Pom-su.

The First Session of the Eighth DPRK SPA elected the chairman, vice chairmen, secretary, and members of the DPRK SPA Standing Committee as follows:

Chairman of the Standing Committee: Comrade Yang Hyong-sop;

Vice chairmen: Comrade Son Song-pil, Comrade Yo Yon-ku;

Secretary: Comrade Kim Pong-chu;

Members: Yom Tae-chun, Chong Tu-hwan, Yi Mong-ho, Chu Chang-chun, Choe Yong-hae, Pak Su-tong, Kim Song-ae, Kim Kyong-pong, Sok Yun-ki, Yu Ho-chun, Nam Sun-hui.

The First Session of the Eighth DPRK SPA elected the SPA Budget Committee as follows:

Chairman: Yun Ki-pok;

Members: Pak Nam-ki, Kim Chang-chu, Pak Sung-il, Yi Chung-song, Sin Kyong-sik, Kim Hyong-chong.

The First Session of the Eighth DPRK SPA elected the SPA Bills Committee as follows:

Chairman: Kye Ung-tae;

Members: Paek Hak-nim, Pang Hak-se, Han Sang-kyu, Kang Hyon-su, Kim Ui-sun, Chong Mun-san.

The First Session of the Eighth DPRK SPA elected Comrade Hyon Mu-kwang as chairman of the State Inspection Committee of the Central People's Committee.

The First Session of the Eighth DPRK SPA elected Comrade Han Sang-kyu as Prosecutor General of the Central Public Prosecutor's Office.

The First Session of the Eighth DPRK SPA elected Comrade Pang Hak-se as president of the DPRK Central Court.

The members of the DPRK State Administration Council announced by the First Session of the Eighth DPRK SPA are as follows:

Premier: Comrade Yi Kun-mo

First vice premier: Comrade Hong Song-nam

Vice premiers: Comrades Kim Yong-nam, Kim Pok-sin, Choe Kwang, Chong Chun-ki, Kim Chang-chu, Kim Yun-hyok.

Minister of Foreign Affairs: Kim Yong-nam

Chairman of the Commission for External Economic Affairs: Kim Pok-sin

Chairman of the Agricultural Commission: Kim Chang-chu

Chairman of the Commission of Construction and Building Materials: Kim Yun-hyok

Chairman of the State Planning Commission: Pak Nam-ki

Chairman of the Commission for Metal and Machine Building Industries: Kye Hyong-sun

Chairman of the Mining Industry Commission: Cho Chang-tok

Chairman of the Transportation Commission: Yi Kil-song

Chairman of the Electric Industry Commission: Yi Chi-chan

Chairman of the Chemical and Light Industry Commission: Kim Hwan

Chairman of the Fisheries Commission: Choe Pok-yon

Chairman of the Committee of Public Welfare: Kong Chin-tae

Chairman of the State Commission at Science and Technology: Yi Cha-pang

Minister of Public Security: Paek Hak-nim

Minister of Atomic Power Industry: Choe Hak-kun

Minister of Shipbuilding Industry: Yi Sok

Minister of Post and Telecommunications: Kim Yong-chae

Minister of Railways: Pak Yong-sok

Minister of Foreign Trade: Choe Chong-kun

Minister of External Economic Affairs: Chong Song-nam

Minister of Forestry: Kim Chae-yul

Minister of Labor Administration: Kim Pong-ul

Chairman of Educational Commission: Pyong Yong-nip

Minister of Culture and Arts: Chang Chol

Minister of Finance: Yun Ki-chong

Director of the Academy of Sciences: Kim Kyong-pong

Minister of Public Health: Yi Chong-yul

Minister of Commerce: Han Chang-kun

General Director of the General Corporation of Central Materials Supply Agencies: Yi Pil-song

Chairman of the Korean Physical Culture and Sports Guidance Committee: Kim Yu-sun

President of the Central Bank: Pyon Sung-u

Director of the Central Statistics Bureau: Sin Kyong-sik

Director of the Secretariat of the Administrative Council: Chong Mun-san

Control Commission Chairman

SK300047 Pyongyang KCNA in English 1536 GMT 29 Dec 86

[Text] Pyongyang December 29 (KCNA) -- The First Session of the Eighth Supreme People's Assembly of the Democratic People's Republic of Korea appointed Hyon Mu-kwang chairman of the State Control Commission of the Central People's Committee.

KIM IL-SONG PROPOSES TALKS WITH SOUTH

SK300439 Pyongyang KCNA in English 300435 GMT 30 Dec 86

["President Kim Il-song advances proposal on holding high-level political and military talks between the North and the South" -- KCNA headline]

[Text] Pyongyang December 30 (KCNA) -- In his policy speech at the First Session of the Eighth Supreme People's Assembly on December 30 the great leader President Kim Il-song stressed: We deem it necessary to hold high-level political and military talks between the North and the South in order to settle the first and most urgent question for national reunification.

He said:

The North-South high-level political and military talks will have to discuss the measures to remove the present political confrontation, such as the matter of promoting the national bonds by refraining from slandering each other and by realizing multilateral cooperation and interchange between the North and the South. They will also have to discuss the steps to ease the present tension, such as reducing armed forces, stopping an arms race, turning the demilitarized zone along the military demarcation line into a peace zone and refraining from large-scale military exercises. The talks should also deliberate on the measures to increase the authority of the neutral nations supervisory commission, and to organize a neutral nations inspection force with military personnel of Czechoslovakia, Poland, Switzerland and Sweden which are members of the Neutral Nations Supervisory Commission, as a setup to watch the military actions of both sides in the demilitarized zone.

In addition to these questions we are ready to discuss any proposal to be made by the South Korean side, if it is helpful to the relaxation of the political and military situation.

If the North-South high-level political and military talks are to settle various questions raised by both sides satisfactorily, those with real military authority will also have to take part in the talks, along with high-ranking authorities from both sides.

If the South Korean authorities truly want to break the present deadlock between North and South and follow with us the road of peace in the country and of its peaceful reunification, they ought to show a positive response to our sincere proposal.

Saying that if the talks produce a good result, dialogues will be held successfully in many spheres in a good atmosphere, President Kim Il-song stressed: Then summit talks between North and South may be held to discuss the fundamental questions for national reunification.

MASS RALLY PRAISES KIM IL-SONG REELECTION

SK301036 Pyongyang KCNA in English 1028 GMT 30 Dec 86

[Text] Pyongyang December 30 (KCNA) -- A grand Pyongyang mass meeting was held today at the Pyongyang indoor stadium to hail the reelection of the great leader Comrade Kim Il-song as president of the Democratic People's Republic of Korea and carry out the tasks set by him in his historic policy speech.

Attending the meeting together with more than 10,000 working people in the city were Pak Song-chol, Yim Chun-chu and Yi Chong-ok, members of the Political Bureau of the Central Committee of the Workers' Party of Korea and Vice-Presidents of the DPRK, Yi Kun-mo, member of the Political Bureau of the WPK Central Committee, vice-premiers of the Administration Council and leading functionaries of the party and power bodies, working people's organizations and administrative and economic organs.

The meeting was addressed by Kang Hui-won, alternate member of the Political Bureau of the WPK Central Committee, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee.

KCNA REPORTS 29 DECEMBER SR-71 OVERFLIGHT

SK291638 Pyongyang KCNA in English 1544 GMT 29 Dec 86

[Text] Pyongyang December 29 (KCNA) -- The U.S. imperialist aggressors infiltrated its high-speed, high-altitude reconnaissance plane "SR-71" deep into the air above the territorial waters of our country east of Kosong at around 13 hours 29 minutes today to commit aerial espionage against the northern half of the Republic.

They committed such aerial espionage 170 times this year. This is an increase of 30 cases above last year.

In disregard of our sincere proposals to relax the tensions, the U.S. imperialist aggressors intensified this year their aerial espionage still further than last year. This clearly shows that they, in fact, do not want detente and peace in Korea but have consistently aggravated the situation, pursuing confrontation and war only.

If they continue to perpetrate military provocations against the northern half of the Republic, turning a deaf ear to our repeated warnings, they will be held entirely responsible for all the consequences arising therefrom.

U.S. SPECIAL FORCES REORGANIZATION DENOUNCED

SK270838 Pyongyang KCNA in English 0831 GMT 27 Dec 86

[Text] Pyongyang December 27 (KCNA) -- NODONG SINMUN today, commenting on Pentagon's decision to organize "combined command of the defence department No 11" by combining special operation units of the U.S. imperialist ground, naval, air and marine forces of aggression, says this indicates very ill-boding developments. The author of the commentary says:

It brings to light the criminal nature and aggressive purpose of "combined command No 11" that the "green beret" unit is included in the "combined command".

What the U.S. imperialists seek through this is to establish a unitary operational command system of the activities of the special units and use them more effectively as a shock-brigade for aggression and intervention against the progressive countries.

The U.S. imperialists defined it as an important "role" of the combined command to give "quick support to friendly nations in case of attack on them."

They seek to attain easily their aggressive purpose through the joint operation of local special operational units and special operation units under the combined command on the pretext of preparations to counter a "contingency".

The U.S. imperialists have set Korea as their target. This is illustrated by the fact that the Okinawa-based "green beret" unit is staging war rehearsal and special exercises in South Korea.

"Counter-terrorism" on the lips of the U.S. imperialists is terrorism.

CHON TU-HWAN'S POLICY OBJECTIVES ASSAILED

SK250603 Pyongyang Domestic Service in Korean 2153 GMT 24 Dec 86

[NODONG SINMUN 25 December commentary: "Wriggling of a Dictator Who Is Facing Destruction"]

[Text] On 23 December, at an unprecedented so-called cabinet meeting held at Chongwadae, his own den, Chon Tu-hwan, South Korea's traitor, babbled about state policies for next year. The puppet traitor threatened to ferret out all procommunist elements and illegal organizations, to harshly punish them, and to thoroughly keep under control all collective activities and subversive activities in the new year in an effort to maintain law and order and to achieve social stability. The puppet also said that next year will be a historical watershed that will determine whether [the country] will be led either to development due to stability and unity or to retreat due to disorder and division and that one must do his best in preparing for a peaceful transfer of government and for the Olympics by accelerating growth and development. The babbling of the puppet traitor, the reiteration of the policy objectives which the puppet administration released a little while ago, shows the dirty colors of the fascist hangmen who are mad about power. This also shows his vicious attempt to maintain his military dictatorial rule faced with a crisis by mercilessly wielding swords.

Confrontation and discord between the broad spectrum of democratic forces who demand a transfer of power by way of a constitutional revision that favors a direct election system and the fascist ruling forces who oppose this will emerge as a more acute sociopolitical problem. Along with the ever-growing anti-U.S. struggle for independence, the struggle of the democratic forces who are trying to realize a transfer of power by revising the fascist constitution in favor of a direct election system will expand into a grand march of independence and democracy that will lead the pro-U.S. dictatorial regime to destruction.

It is not coincidental that rumors about a crisis are spreading in South Korea that in the new year, a political crisis may take place or that an emergency decree may be announced officially. The Chon Tu-hwan ring which is trembling with utmost uneasiness and fear amid destructive political storms is attempting to find a way out by challenging the grand march of independence and democracy with blood-stained swords. Everyone knows that the puppet's babbling about law and order or social stability is a by-product of his desperate maneuvers to free himself from the daily-aggravating sociopolitical crisis and uneasiness and that law and order and social stability which he babbled about are bloody fascist slogans designed to block and obliterate all forces who refuse to submit to their military terrorism and suppression. For the past year, under these criminal slogans, the Chon Tu-hwan ring have continuously placed South Korea under martial law, have committed fascist violence, and have ruthlessly suppressed all activities that impede its dictatorship, branding them as the act of destroying law and order by impure forces and as the act of overthrowing the system by the left-leaning and procommunist forces.

Puppet Chon Tu-hwan presented law and order and social stability as the first policy objective for the new year in order to seek the vicious purpose of realizing his ambition for long-term office by suppressing and obliterating all patriotic democratic forces and sociopolitical elements -- that oppose the rascals' fascist dictatorial dictatorship -- which more viciously kicks up anticommunist and fascist maneuvers than before. This is also evidenced by the fact that the puppet traitor uses such fraudulent slogans as a peaceful transfer of government and the Olympics as a pretext for extending his reign in power. The puppet traitor described the new year as a so-called watershed. This shows that he considers next year a decisive year in laying groundwork for extending his reign in power and in plotting a scheme to regain power through violence.

That day, the puppet babbled that the campaign to build a counterdam must be used as an opportunity to inspire consciousness for national security and to strengthen the position in diplomacy. This shows that they are kicking the anticommunist intrigue rackets in connection with our construction of the Kungangsan Power Station as part of the political scheme to seek the impure purpose of resolving a serious political chaos in South Korea and a destructive crisis facing his rule.

Western media also commented on this. On 18 December, Japan's NHK Broadcasting Station reported that the campaign of the South Korean rulers against the Kungangsan Power Station follows the same line as the campaign to abolish procommunist, left-leaning ideology and that it is a measure to reach unity among the people by strengthening domestic restrictions. Even though they are making it their undertaking to engage in political intrigue and to wield words in an effort to maintain the dictatorial system faced with a crisis, the South Korean puppets cannot reverse the trend that has already shifted to their disadvantage. Engaging in intrigue and wielding swords is the last-stage symptom of those who are faced with the destiny of destruction and the desperate wriggling of those who are on their deathbed.

History has shown on numerous occasions that those who persistently suppress the people and who kick up the anticommunist intrigue rackets, while wielding guns and bayonets, cannot escape destruction without exception. Such notorious pro-U.S. dictators as Pahlevi, Duvalier, and Marcos were destroyed not because they engaged in less violent suppression or not because they lacked guns and bayonets. The end of the South Korean dictator who is wielding swords against the fellow countrymen hand in hand with outside forces will not be otherwise.

CORRECTION TO KUMGANGSAN PROPAGANDA DENOUNCED

The following correction pertains to the item headlined "Propaganda Against Kumgangsan Dam Denounced" published in the 15 December Asia & Pacific DAILY REPORT, page D 8, first paragraph, penultimate line:

...Kumgangsan Power Plant, recently again fabricated an out-and-out lie that the Kumgangsan power plant is being constructed...(Providing dropped passage)

CORRECTION TO DPRK COMMISSION WHITE PAPER

The following correction pertains to the item headlined "Power Industry Commission Issues Dam White Paper," published in the 29 December Asia & Pacific DAILY REPORT, page D 7, paragraph five, line six:

....four reservoirs -- the Imnam and Chongok Reservoirs...(Changing spelling of "Innam" to "Imnam" here, and throughout article)

WESTERN TOURISTS VISIT ANGKOR WAT SIEM REAP

BK251625 Hong Kong AFP in English 1612 GMT 25 Dec 86

[By Jacques Michel Tondre]

[Text] Bangkok, Dec 25 (AFP) -- A group of Western tourists have made an organized trip into Cambodia for the first time since 1979 and spent a half-day at the fabled Angkor Wat temple, without seeing any signs of combat. Thirteen tourists and one tour leader left Bangkok on Thursday last week for Ho Chi Minh City in Vietnam and arrived in Phnom Penh Monday. The group visited Siem Reap and Angkor Wat, where Khmer Rouge resistance fighters claimed to have carried out military operations late last week.

Australian escort, Janusz Kasinowski, who returned to Bangkok Thursday with the 13 others, said the trip -- organized by Australian travel agent Orbitour -- took place under completely safe conditions. He added that the airport at Siem Reap, which the group visited Wednesday, was intact. The Khmer Rouge earlier claimed to have partly destroyed it.

Three French nationals -- photographers Alain Keler and Jacques Torregano, and journalist Jean-Christophe Victor -- told AGENCE FRANCE-PRESSE that the Angkor Wat visit was limited to the main temple. They said it appeared to have remained in good shape since Vietnamese troops entered Cambodia. The group's Cambodian guides, who were surrounded by Vietnamese, had told them it was not possible to visit the rest of the temple site "for security reasons," the tourists said.

Hanoi invaded Cambodia on December 25, 1978 to oust its Khmer Rouge rulers and has kept an estimated 140,000 troops in the country to fight a tripartite resistance movement headed by former Cambodian ruler Prince Norodom Sihanouk.

When the tour was announced, the Khmer Rouge -- the main faction in the resistance -- issued a warning to potential tourists and said it could not be responsible for any incidents during their stay in Cambodia.

On Monday, Khmer Rouge radio said Siem Reap airport had been hit by 107-millimetre rockets and that guerrillas damaged the runway and destroyed and five buildings [as received]. The next day, it reported an attack on a Vietnamese division at the entrance to the Angkor Wat complex, claiming guerrillas killed eight Vietnamese and injured 13 others. But the tourists -- five French, two Canadians, two Japanese, an Austrian, a Swiss, a Spaniard, a Dutch woman and the Australian escort -- said they saw no trace of combat. They said they saw five anti-aircraft batteries at Siem Reap, but no one was using them.

The tourists said several Cambodians appeared genuinely pleased to meet French tourists and asked them to carry on mail. Cambodia was under French colonial influence beginning in the mid-19th century. Some Cambodian guides meanwhile accused the Vietnamese in veiled terms of making "political gains" out of the trip, the tourists said. Mr Kasinowski said Orbitour was hoping to make a second tour into Cambodia in January.

SON SANN INTERVIEWED ON SRV LEADERSHIP CHANGES

BK261531 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 26 Dec 86

[Unidentified station correspondent's 24 December recorded interview with His Excellency Son Sann, CGDK prime minister and KPNLF chairman -- place not given]

[Correspondent] I am a VOK correspondent. Greetings to you, Your Excellency Son Sann, CGDK prime minister and KPNLF chairman. Please allow me to ask you the following questions.

1. I have received reports saying that at the recent Sixth CPV Congress in Hanoi, there were changes in the Vietnamese leadership. What are your views on this issue. Will these changes in the Vietnamese leadership affect Vietnam's policy concerning Cambodia?

[Son Sann] In my view, the Vietnamese aggressors are facing great economic difficulties. Therefore, this economic crisis was discussed in Hanoi a few days ago and some changes in the leadership were made. In truth, what are the causes of Vietnam's economic crisis? In my view, it is caused by Vietnam's aggression in Cambodia since 1978. When Vietnam invaded Cambodia, it thought that, in a few months or a few weeks, the international community would let Vietnam occupy Cambodia. On the contrary, since then, all the resistance fighters have united under the CGDK against the Vietnamese. It has been 8 years now and Vietnam still has not been able to peacefully occupy Cambodia. So, despite the fact that they have plundered rice, fish, resources, and international assistance for Cambodian people to Vietnam, this did not provide enough food for the Vietnamese, Vietnam's economy is still mediocre. Therefore, the Vietnamese use this poor economy as a pretext to make some changes in the leadership. They refused to address the real cause of the problem, that is the aggression against Cambodia.

Another thing, recently, the Vietnamese said that their National Assembly will hold a meeting to make some changes in the leadership. Maybe they will not make any changes after all. It is not at all clear. Because they said they want unity, they do not want to make too many changes. Maybe they will keep the present leaders in their same positions.

Furthermore, despite their current difficulties, the Vietnamese have intensified the implementation of their policies. There are two. First, they want to make the world believe that the current war in Cambodia is one between Cambodians. Vietnam's policy is to Khmerize the issue. While they try to make people believe this, they are also intensifying their Vietnamization program to massacre and finish off our race. However, I am firmly convinced that no matter what the Vietnamese do, no matter how much more economic aid the Soviet Union has promised to Vietnam, I think we still have a way to resolve the Cambodian issue. I would like to ask only two things. First, the international community, including compatriots living abroad, please explain to our foreign friends in the Western world to maintain their firm stand against Vietnam and say to Vietnam that if it wants economic aid from the West, it should withdraw its forces from Cambodia. This is the pressure in the international arena.

As for our compatriots inside the country and among the CGDK ranks, please unite and unanimously cooperate in attacking the Vietnamese more vigorously. Compatriots in the Heng Samrin ranks and people in Cambodia, please do not assist the Vietnamese. Do not work for them. Please cooperate with all the resistance fighters who are struggling against the Vietnamese. This way, the Vietnamese will be forced to negotiate and withdraw their forces from Cambodia.

[Correspondent] If Vietnam cannot occupy Cambodia, in your view, what are the possibilities for resolving the Cambodian issue?

[Son Sann] If Vietnam cannot stay in Cambodia, there will be talks. Currently, Vietnam wants to have talks with ASEAN. Vietnam has asked our CGDK to hold talks with Heng Samrin. However, we have already replied that we would like to talk with Vietnam because Vietnam and we are parties to the conflict. If Vietnam agrees to negotiate, we have firm hopes of liberating our country. And if we negotiate, we will, during the talks, try to ensure independence, neutrality, and true democracy for our country once the Vietnamese troops are withdrawn.

[Correspondent] Please allow me to ask more questions. If Vietnam agrees to withdraw its forces from Cambodia, in your view, what are the necessary measures to ensure that no Cambodian party can take power through military force?

[Son Sann] This is a major issue. There is one factor we should remember. Great China has affirmed and promised the CGDK that, in the future, China requests that the tripartite CGDK should stay together, even after the country is liberated. Great China has categorically requested that no one party of the coalition should be eliminated, thus endangering the remaining one or two parties. This is an assurance. Furthermore, there is another assurance. All of us should adhere to democracy. This democracy means that if we love Cambodia, we should love Cambodians and the country. If we adopt this democracy, we will certainly have Cambodia's destiny in the hands of every Cambodian when the time comes to vote at the free and general elections supervised by international bodies such as the United Nations. Then, we will be free to vote without any threat. Therefore, if our compatriots want our Cambodia to be independent, neutral, and have a religion, and all human rights, please consider the individual, side, or group. This is how we should resolve our problem without anyone violating democratic principles.

[Correspondent] In the future, if our Cambodia is liberated from Vietnam's occupation and once Cambodians are in charge of their own destiny, in your view, what are the ways and means to quickly build Cambodia into a developed and prosperous country?

[Son Sann] I think we should prepare ourselves from now. I would like to pay my respects and wish every success to those who are fighting against the Vietnamese inside the country and who have been making all kinds of sacrifices. I respect them because they are making all kinds of sacrifices. However, for those who have or do not have knowledge, whether they are working or studying, and who are currently living abroad, they should also think about building our country as well. They should study the subjects which will help develop the country when the time comes. I have firm hope that once we liberate our country, all the rich countries, including those in the West, will help us to rebuild our country. Therefore, we should think about and prepare ourselves for building our country. If we want to build our country into a peaceful and prosperous one with law and order, we should cleanse ourselves and should not behave like before. We should not think of our personal interests and should not think of any group's interests. We should think of our compatriots who have suffered greatly since 1970. We should think of providing them with some benefits, peace, and happiness and giving glory to our country. We should be honest.

Our combatants have been making all kinds of sacrifices, including their lives or becoming invalids, to liberate the country. We should cleanse ourselves in our behavior in accordance with the Buddhist religion to rebuild our country. If we have sufficient knowledge and are sincere in helping the nation and our compatriots, who have suffered for many years, the international community will certainly help us. Thus, we would be able to quickly rebuild our country into a happy and glorious one.

[Correspondent] So far, the Vietnamese and Heng Samrin have claimed in their propaganda among our compatriots under the Vietnamese control that selling paddy to the state is loving the nation. In your view, what should our compatriots do to be really patriotic?

[Son Sann] Just take that expression "loving the nation". Which nation? Vietnamese or Cambodian? If you love Cambodia, help Cambodia. Who produces the paddy? Our compatriots who work the land do. If they are truly patriotic and love the Cambodian nation, they should keep rice for those who produce it, that is Cambodian compatriots and not for other patriots, namely Vietnamese patriots. This is not right. Our compatriots should be clear on this. If you produce it, you should keep it to feed your families and relatives and not the Vietnamese, who are the aggressors annexing our territory, massacring our nation and race, and refusing to withdraw from our country. We should not be patriotic in this way.

[Correspondent] Finally, what else do you want to say to our combatants and compatriots both in zones temporarily under Vietnamese control and in CGDK-controlled zones?

[Son Sann] I would like to say to beloved compatriots in the Vietnamese-controlled zones in Cambodia, please believe me that this new year is very important. By the Cambodian new year, we should clearly see the way to resolve the Cambodian issue. This is the hope of every Cambodian. Therefore, all compatriots inside the country who have been making all kinds of sacrifices over many years, please be patient and endure the hardship a bit more. And please unite and do not think that the Vietnamese can stay in Cambodia. No matter what the Vietnamese are doing, whether they want to exterminate our race through their policy of annexing our country or taking our resources to Vietnam saying this is patriotic, the time of our country's liberation is near. Our nation's bad times are nearing their end. Please unite and cooperate with one another. Be orderly and disciplined. Those who fight among the CGDK ranks and among our KPNLF ranks, should have discipline and order and be united. Soon we will see the light of peace in Cambodia.

I would like to take this opportunity to tell compatriots at Site Two that I firmly hope that at this international new year, there will be a solution to our front's internal problem. There will no longer be any crisis. We will have unity and discipline. Therefore, compatriots at Site Two, please have hope. Soon, we will be united and have peace. Those who would like to return to Site Two, please do so. There will not be any problems. I would like to tell you that, soon, we will have peace, all of us.

I take leave of you now. I would like to thank you for listening to me.

[Correspondent] On behalf of VOK and the Cambodian people throughout the country, I would like to express profound thanks to His Excellency Son Sann, CGDK prime minister and chairman of the KPNLF, for talking to Cambodian compatriots through VOK.

ZHAO ZIYANG HOSTS BANQUET FOR SIHANOUK

BK290720 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 28 Dec 86

[Text] Zhao Ziyang, premier of the Chinese Council of State, hosted a banquet on 26 December in honor of Samdech Norodom Sihanouk, president of Democratic Kampuchea.

On that occasion, Zhao Ziyang said that the Chinese Government and people will, as always, stand on the side of the Cambodian people and the CGDK headed by Samdech Norodom Sihanouk and will continuously support their struggle against the Vietnamese aggressors until final victory is won.

He said: The Chinese Government sincerely hopes that the Vietnamese authorities will see the situation clearly and accept the 8-point CGDK proposal so as to realize the political settlement of the Cambodian issue as early as possible.

He said: Recently the Vietnamese authorities have recognized Vietnam's grim social and economic situation. However, they continue to cling to the wrong policy of aggression against and occupation of Cambodia. It is clear that the war of aggression against Cambodia, which Vietnam has been stubbornly pushing, is the cause of the daily deterioration of its economy. This act by Vietnam has drawn strong condemnation from the international community and lost the sympathy and friendship of most countries of the world.

He went on to say: Only by pulling out all its troops and ending the 8-year aggressive war in Cambodia will Vietnam again win the understanding of and help from the international community. Continued refusal to withdraw its troops and the playing of tricks will carry the Vietnamese authorities nowhere.

He also pointed out that the situation in Cambodia is developing in a direction increasingly favorable to the Cambodian people and unfavorable to Vietnam. He hailed the success won by the Cambodian Government and people at the 41st UN General Assembly.

Samdech Sihanouk said that in 1986 the situation of Vietnam has kept worsening. On the other hand, the situation next year will be even more favorable to the Cambodian people. He said that there will be no way out for the Vietnamese Government unless it accepts the 8-point proposal and the UN resolutions on the settlement of the Cambodian issue and withdraws its troops from Cambodia. The samdech stressed that the three parties of Democratic Kampuchea will closely unite to carry the struggle to final victory.

VONADK SAYS SRV SOLDIERS ATTACKED IN PHNOM PENH

BK200051 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian
2315 GMT 19 Dec 86

[From the "Report From Various Battlefields" feature]

[Excerpts] Phnom Penh battlefield: On 5 December our National Army cooperated with people and patriotic Cambodian soldiers and lobbed grenades at Vietnamese soldiers near the Angkor movie house in Phnom Penh, killing two and wounding five. On 7 December, our National Army cooperated with people and patriotic Cambodian soldiers in cutting the Vietnamese enemy's telephone lines between Banteay Sloek garrison and the radio station in Phnom Penh.

Following our grenade attack and telephone line cutting, the situation in Phnom Penh is confused. The Vietnamese enemy has conducted searches and imposed a curfew in the city. However, the Vietnamese enemy has been unable to find or flush out our National Army from the capital. [passage omitted]

PREM SPEAKS ON ECONOMY, SEES 'NO CHANGE' IN SRV

BK270131 Bangkok BANGKOK POST in English 27 Dec 86 p 1

[Text] Prime Minister Prem Tinsulanon said yesterday he welcomed the Armed Forces' role in helping the Government upgrade the livelihood of the people, promote national prosperity and enhance unity.

Gen Prem described the Armed Forces as "one of the very important sectors needed to preserve stability, sovereignty and the wellbeing of the people".

Addressing foreign correspondents, Gen Prem said his government had in the past three years achieved a satisfactory degree of success in political and economic aspects.

However, the prime task remains the eradication of poverty.

The Prime Minister said democracy was developing. "We want to say that democracy in Thailand is progressing. We have good continuity in government since I took office. We have the orderly functioning of democracy."

"Anything that is not in the right track of democracy was rejected by the people," said Gen Prem, citing the abortive coup attempts against him.

"This administration will pursue a more expansive economic policy after years of austerity. It is time to go on the offensive. We are not in the foxhole anymore," he added.

Describing the Japanese market as the toughest to penetrate, Gen Prem said Thai exports had increased significantly, "probably due to the yen appreciation and the low prices of Thai products". He was pleased that Thai products were becoming more acceptable among Japanese consumers.

Commenting on speculation he would step down in two years, Gen Prem said: "Well, er, when you play a game, you've got to play according to the rules. That would be my answer now. It depends on so many factors."

About himself, he said he wanted to be a common man rather than be named a statesman.

"I am a common man and I'm happy to be so. I don't care how the public puts me in the book," he said.

On Vietnam's leadership change, Gen Prem said he detected no change in Hanoi's policy.

Expanding on the point, Foreign Minister Sitthi Sawetsila said Thailand would have to wait for the new government in Hanoi to announce its policy.

ACM Sitthi said Thailand welcomed any proposal for dialogue from Hanoi, providing the talks produce positive results.

Further on Prem Comments

BK270318 Bangkok Domestic Service in English 0000 GMT 27 Dec 86

[Statement by Dr. Montri Chenwitkan, deputy government spokesman, on Prime Minister General Prem Tinsulanon's meeting with foreign correspondents at Government House on 26 December -- recorded]

[Excerpts] Prime Minister General Prem Tinsulanon met with foreign correspondents working in Thailand yesterday morning. These correspondents included those working for such major newspapers and magazines as NEWSWEEK, THE NEW YORK TIMES, THE ASIAN WALL STREET JOURNAL, THE FAR EASTERN ECONOMIC REVIEW, ASIAN WEEK, UPI, CBS, and a number of Japanese news and television agencies. [passage omitted]

Asked on his view of the leadership change in Vietnam and how that would affect the Thai-Vietnamese relationship, Gen Prem and Air Chief Marshal Sitthi said that they detected no significant change in Vietnam's policy toward Thailand and toward the settlement of Khmer issue. Thailand, however, wants to make friends with every country. There were, of course, no economic sanctions against Vietnam. The private sectors are allowed to trade with Vietnam which, however, have some problems with the cash, and it would be difficult to trade with Vietnam through the government. But anyhow, the Thai Government would get involved in major trade relationship after Vietnam leaves Kampuchea.

Thailand has also promoted good relationship with Laos which should result in increase in the volume of border trade between the two countries.

Air Chief Marshal Sitthi also said that he viewed the evacuation of Vietnamese troops from Cambodia as a condition for any normalization of political ties with Vietnam. He said he was willing to meet Nguyen Co Thach, the Vietnamese foreign minister, for a talk. But the talk must produce some significant result, otherwise it would be quite empty meeting and would be no use.

On the refugee problem, Squadron Leader Prasong Sunsiri, who has great experience in dealing with this problem [word indistinct] of the evacuation in three phases of the refugees from Khao I-Dang holding camp to other safe sites. He lamented the fact that no third countries wanted to resettle these refugees, and the Thai Government had to do its best to take care of these refugees with the help of the UNHCR.

The prime minister ended the meeting with foreign journalists by inviting them and their leaders to join the Thai people in the celebration of his majesty the king's 60th birthday anniversary next year, which will be a grand occasion because it also coincides with the Visit Thailand Year. I think that would be the essence of the meeting between the prime minister and foreign correspondents.

SITTHI TO BETTER TIES WITH USSR, EAST BLOC

BK260155 Bangkok THE NATION in English 26 Dec 86 p 2

[Text] Foreign Minister Sitthi Sawetsila, outlining Thailand's foreign policy in 1987, said yesterday more emphasis will be given to ties with the Soviet Union and Eastern European countries.

His planned visit to Moscow and three of its allies next May is part of the efforts to improve the overall relations with them particularly on the economic front.

He said during the Moscow visit he hopes to meet top Soviet leaders, either Mikhail Gorbachev or Andrey Gromyko, to discuss the bilateral ties.

Despite some political differences with the Soviet Union and Eastern European countries, he said, other aspects such as trade cooperation with the East Bloc nations should not be ignored. He will also visit Czechoslovakia, Poland and East Germany.

Thailand wants to tap the vast market potential of these communist countries. Bangkok already has an extension economic relations [as published] with China.

Reviewing the achievements of the Foreign Ministry in 1986 and Thailand's relations with other countries, Sitthi singled out the October visit here of Indian Premier Rajiv Gandhi as one of the ministry's top successes.

Gandhi's visit to Thailand was realized after a series of exchanges of high-level visits between officials of both countries, he said.

The Thai-Indian ties have gradually improved following Sitthi's visit in 1985 to India despite the different stand taken by Bangkok and New Delhi on the question of Kampuchea.

Sitthi said he was satisfied with the improvement in relations with Thailand's neighbours, particularly Burma, Laos and Malaysia.

He expressed appreciation to the Burmese understanding of the recent log scandal involving the import of timber illegally felled by Karen rebels to Thailand. Burma abstained from any criticism of the Thai government.

The good relations with Burma, Sitthi said, will eventually translate into more economic and trade cooperation.

Relations with Laos, he said, will be strengthened and more concrete proposals between the two governments will be forthcoming.

PRC'S LIU SHUQING SEES NO SRV CHANGE IN CAMBODIA

BK270151 Bangkok THE NATION in English 27 Dec 86 p 3

[Text] Thailand and China yesterday said that the Vietnamese efforts to revitalize its economy will be difficult as long as its troops remain in Kampuchea, the Foreign Ministry spokesman said.

Spokesman Sarot Chawanawirat told reporters after the three-hour discussion between M.R. Kasem S. Kasemsi, the permanent secretary for foreign affairs, and Chinese Vice Foreign Minister Liu Shuqing that both sides agreed that there was no change in the Vietnamese approach to the eight-year Kampuchean problem.

"On one hand, Vietnam professes to go all out for the economic development. On the other hand, they are occupying Kampuchea. These two policies do not go hand in hand," Sarot said.

The discussion yesterday focused on the situation in Kampuchea and bilateral issues.

Liu briefed Foreign Minister Sitthi Sawetsila Wednesday night on the outcome of his five-day visit to Vientiane. The content of the discussion was not revealed.

He also informed Kasem of the progress in the ongoing dialogue between China and the Soviet Union. The two countries have held all together nine rounds of consultations and the Kampuchean problem was mentioned in the last meeting.

China reiterated that the role of the Soviet Union is very crucial to the efforts to seek a peaceful settlement of the Kampuchean problem.

Sitthi is scheduled to visit Moscow and Eastern Europe next May. In a recent interview, he said that the direction of Thailand's foreign policy in 1987 will focus on the eastern bloc to tap their market potential for Thai export.

Liu said that Chinese Foreign Minister Wu Xequian will visit Bangkok in April to coincide with the annual meeting here of the Economic and Social Commission for Asia and the Pacific (ESCAP).

The meeting between Kasem and Liu is the sixth of the series of annual consultations between the two countries. The venue is rotated between Beijing and Bangkok.

Deputy Premier Phong Sarasin also plans a returned visit to Beijing next year, Sarot said. Chinese Vice Premier Tian Jiyun visited Thailand recently.

Both sides also discussed the preparation for the upcoming visit to China by HRH Crown Prince Wachiralongkon in February. Several members of the Royal Family have visited China, including HRH Princess Maha Chakri Sirinthon.

Sarot quoted Kasem as saying that Thailand attaches great importance to the prince's pending visit as it symbolizes the goodwill and close friendship between the two nations.

EDITORIAL ON U.S. AID CUT, MILITARY SPENDING

BK291324 Bangkok SIAM RAT in Thai 29 Dec 86 p 3

[Editorial: "When the United States Cuts Aid to Thailand"]

Text] U.S. internal economic problems, its trade and budget deficits, have forced the United States to reduce considerably financial assistance to its allies. This change also has an impact on Thailand.

According to published figures, U.S. aid to Thailand will be reduced from \$92.5 million last year to \$57.2 million this year. The cutback in foreign military credits for Thailand amounted to \$80.5 million.

On the whole, Thailand this year will receive \$35 million less in aid than last year. The money will be given in the form of grants. There will be no more special loans.

This aid cut will affect Thailand's economic base, already shaken by the repercussions from U.S. competition in rice trading and growing protectionism. Both countries are under pressure to take measures to safeguard their interests which unfortunately run counter to each other, and the country which stands to suffer is the smaller and economically less powerful U.S. ally, Thailand.

Worst affected by the U.S. aid cut will be the Thai Armed Forces. The Army will certainly have to review its projects, especially those planned using the projected aid budgets. This will have to be done immediately in the new year.

There has been a report that the government may borrow from the private sector for spending on military projects in place of the aid cut. Such a report, although still unconfirmed, is noteworthy as this will considerably affect Thailand's financial situation if true.

Everything concerning the Armed Forces and the Army has always been a mystery, especially concerning its budget plans and projects. Of course, military affairs must be conducted in secrecy as it directly involves national security. Anyway, the money spent by the military also comes from the people's tax money, and therefore must be subjected to screening by the people's representatives in the parliament. So far, the military has never yielded an inch of its interests when it comes to budget allocations. An example of this is the parliament deliberation in the 1987 budget bill. It is difficult, even impossible, to debate about the degree of the military's need for one allocation or another.

We do not want the people to shoulder unnecessary burdens. It is therefore up to the military itself to decide what is most needed and what is less needed based on its sympathy for the people who pay taxes. The foreign budget cut will make it necessary for us to find money to finance necessary programs. However, under such a circumstance the people should be given a clear knowledge of military spending.

ARMY SEIZES CPM CAMP NEAR MALAYSIAN BORDER

BK300029 Bangkok BANGKOK WORLD in English 29 Dec 86 p 3

[Text] Narathiwat -- One of the biggest military camps of Communist Party of Malaya (CPM) hidden in a forested area here close to Malaysia was seized yesterday morning after a clash with a CPM patrol unit, Col Banchon Chawansin, spokesman of the fourth regional army, said this morning.

Col Banchon said that the camp was located in Sukhirin District of Narathiwat Province and comprised some 46 household units, a big kitchen unit, a basketball playground, and a football playground.

A large amount of war weapons and communications equipment were also seized, he said.

VO DONG GIANG ON SRV-PRC, LPDR-PRC RELATIONS

OW291839 Hanoi VNA in English 1524 GMT 29 Dec 86

[Text] Hanoi VNA Dec 29 -- Commenting on the tasks set by the 6th Congress of the Communist Party of Vietnam with regard to Vietnam's policy concerning Southeast Asia, Vo Dong Giang, cabinet minister at the Vietnamese Foreign Ministry, said in an interview with the Soviet daily IZVESTIYA:

"The traditions of the common struggle for freedom, as well as the community of goals, bind Vietnam with Laos and Kampuchea. The countries of Indochina pursue a coordinated policy aimed at turning Southeast Asia into a region of goodneighbourly relations and cooperation. This policy is consonant with the officially proclaimed objective of the ASEAN countries: to create a zone of peace, freedom and neutrality there. Vietnam together with Laos and Kampuchea is always ready to travel its part of the road for the sake of the normalization of relations with the ASEAN member states, which would be a good contribution to the stabilization of the situation in the whole of the Asian-Pacific region".

Vo Dong Giang recalled that at the recent conference of foreign ministers of the three countries of Indochina, Vietnam had put forward constructive proposals on the settlement of the situation around Kampuchea. The United States which is one of the main instigators of the undeclared war against Kampuchea supports financially and supplies with weapons the so-called "coalition government" knocked together with its blessing which is dominated by the Pol Pot clique condemned by the whole world for the crimes of genocide.

He went on: "As for the relations between Vietnam and the People's Republic of China, the 6th Congress of the Communist Party of Vietnam pointed out that the peoples of Vietnam and China were bound by many ages of friendship, by the experience of the struggle against imperialism. Our two countries are neighbours, they are both interested in peace as the main condition of economic and social development. Vietnam values high the friendship between the two nations and will do its utmost to restore it as soon as possible. We put forward a number of proposals on the normalization of Vietnamese-Chinese relations and are ready to start talks on this problem on any level and anywhere".

Vong Dong Giang said in conclusion: "We also support the important initiatives of Laos on the normalization of relations with China on the basis of the observance of the principles of equality and mutual respect for the interests of both sides. Vietnam fully shares the intention of Laos to develop good neighbourly relations and consolidate mutual understanding and trust with Thailand. The Vietnamese Government approves the readiness of the People's Republic of Kampuchea to start talks with the opposition groups for the sake of achieving national accord on the basis of the removal of Pol Pot supporters as a political and military force".

NGUYEN VAN LINH INTERVIEWED BY BULGARIAN TV

BK301045 Hanoi International Service in English 1000 GMT 30 Dec 86

[Text] The fundamental task of Vietnam at present is to stabilize the socioeconomic situation and create necessary conditions for socialist industrialization in 1987 and the coming years.

In an interview with a Bulgarian television correspondent, Vietnamese party General Secretary Nguyen Van Linh said that the main and great task of the entire Vietnamese party and state at present is to readjust the production and investment structure to fully exploit all labor potentials and possible conditions to successfully implement the three major programs: boosting the production of food and foodstuffs, consumer goods, and export articles.

Party General Secretary Nguyen Van Linh said: It is necessary to strengthen the socialist production relations and improve the mechanism of economic management. The Vietnamese party and state should transform the market to stabilize the people's life, gradually improve the living standards, especially those of wage and salary earners.

On Vietnam's foreign policy, party General Secretary Nguyen Van Linh underscored the strategic significance of the alliance among the three Indochinese countries -- Vietnam, Laos, and Kampuchea -- the solidarity and cooperation with the Soviet Union and other socialist countries. He also reiterated Vietnam's consistent policy toward Southeast Asian nations. He said: There are fine prospects for Bulgaria-Vietnam cooperation, especially in the plan for development of tropical industrial plants and the joint tourist ventures.

NGUYEN VAN LINH RECEIVES PORTUGUESE DELEGATION

BK271616 Hanoi VNA in English 1500 GMT 27 Dec 86

[Text] Hanoi VNA Dec 27 -- Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, today received a delegation of the Communist Party of Portugal [CPP] led by General Secretary Alvaro Cunhal, which has visited Vietnam to attend the Sixth CPV Congress.

With him were Tran Xuan Bach, Politburo member and secretary of the CPV Central Committee; and Nguyen Quang Tao, deputy head of the International Department of the CPV Central Committee.

Speaking to his guests, Nguyen Van Linh welcomed the presence of the CPP delegation at the CPV congress which, he said, has brought a great encouragement from the Communist Party and working people of Portugal to the Communist Party and people of Vietnam.

Alvaro Cunhal, for his part, highly valued the success of the Sixth CPV Congress and expressed gratitude to the CPV and the Vietnamese people for their hospitality.

The two party leaders expressed their satisfaction at the constant enhancement of friendship and militant solidarity between the two parties and peoples and wished for further consolidation and development of these ties on the basis of Marxism-Leninism and proletarian internationalism.

Communique on Delegation's Visit

BK271617 Hanoi VNA in English 1503 GMT 27 Dec 86

[Text] Hanoi VNA Dec 27 -- A delegation of the Communist Party of Portugal [CPP] led by General Secretary Alvaro Cunhal paid an official visit to Vietnam from Dec 13-27 at the invitation of the Communist Party of Vietnam Central Committee. While in Vietnam, it was cordially received by CPV General Secretary Nguyen Van Linh. It held talks with a CPV delegation led by Tran Xuan Bach, Political Bureau member and secretary of the CPV Central Committee. The two sides informed each other of the situation of their respective countries and activities of their parties, and exchanged views on international issues of mutual concern. In an atmosphere of solidarity and friendship the two sides showed an identity of views on all questions raised at discussion.

The CPV delegation highly appreciated the CPP's decisive contributions to the April Revolution in Portugal, and its continued struggle for democracy and social progress. It reaffirmed the Vietnamese Communists' and people's solidarity with and full support for the Portuguese Communists and other working people's struggle against the reactionary forces to defend democracy, national independence, and the revolutionary gains as well as the interests of the working class of Portugal.

The CPP delegation expressed great joy at the big achievements of the Vietnamese revolution and the success of the Sixth CPV Congress. It reaffirmed the Portuguese Communists' solidarity with and full support for the Communist Party and people of Vietnam in national construction and defence. It expressed deep concern over the situation in Southeast Asia and underlined the importance and value of the proposals put forth by Vietnam, Laos and Kampuchea aimed at turning this region into one of peace, stability and cooperation.

The two sides highly valued the Soviet Union's initiatives and proposals for disarmament and eventually the elimination of nuclear weapons aimed at maintaining world peace and averting mankind from the danger of a nuclear holocaust. They reaffirmed their solidarity with the world people's struggle against U.S.-led imperialism and other international reactionary forces for peace, national independence, democracy and socialism. The two sides held that in face of the imperative international conjuncture at present, the international communist movement and other forces of peace and progress should consolidate solidarity and promote coordination of actions. They were of the same view on measures to be taken to strengthen cooperation and friendship between the two parties on the basis of Marxism-Leninism and proletarian internationalism.

The visit to Vietnam by the CPP delegation has marked a new step of development of the already-established and fine relationship between the two parties and two peoples.

NGUYEN VAN LINH RECEIVES DEPARTING LAO ENVOY

OW292118 Hanoi VNA in English 1540 GMT 29 Dec 86

[Text] Hanoi VNA Dec 29 -- Lao Ambassador to Vietnam Kampheun Tounalom today paid a farewell visit to General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh before his departure for home for a new assignment.

General Secretary Nguyen Van Linh had a cordial conversation with the Lao diplomat. He highly valued the active contributions of Ambassador Khampheun Tounalom to promoting the special relations between the parties and peoples of Vietnam and Laos.

ALBANIAN DELEGATION TO 6TH CPV CONGRESS DEPARTS

OW250941 Hanoi VNA in English 0828 GMT 25 Dec 86

[Text] Hanoi VNA Dec. 24 -- The delegation of the Albanian Party of Labour led by Khemal Dymylja, member of the party Central Committee and first secretary of the party committee of Elbasan Province, left here for home today after attending the 6th C.P.V Congress. It was seen off by Tran Xuan Bach, Politburo member and secretary of the C.P.V. Central Committee, and others. Albanian Ambassador Syrja Laze was among the farewell party.

PHAM HUNG ADDRESSES PUBLIC SECURITY FORCES

BK231049 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Dec 86

[Text] Fired by enthusiasm over the success of the sixth national party congress, on 19 December the Ministry of Interior held a get-together of the ministry's leaders and the delegates of the people's public security forces attending the congress.

Comrade Pham Hung, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of the interior, attended and cordially addressed the delegates. He expressed happiness over the fine success of the congress and urged the delegates to gain a thorough understanding of the spirit of the congress. The people's public security forces must effect real changes, renovate their way of thinking, and change their old workstyle which is no longer suitable. By taking revolutionary actions, the people's public security forces should strive to do their utmost to overcome all difficulties and successfully implement the resolution of the sixth national party congress.

Many delegates representing the party organizations of the public security forces in various localities made speeches expressing their resolve to join the collective of leadership in quickly disseminating the party's resolution among all cadres and combatants and successfully implementing it, thereby contributing to the efforts of the public security forces throughout the country in satisfactorily carrying out the task of ensuring state security and public order and safety.

AFP CITES 'SENIOR OFFICIAL' ON CAMBODIAN SITUATION

BK210956 Hong Kong AFP in English 0919 GMT 21 Dec 86

[Text] Hanoi, Dec 21 (AFP) -- Vietnam plans to withdraw more of its troops from Cambodia next year, probably at the end of the current dry season in April or May, a senior Vietnamese military official has said. The size of the withdrawal would "depend on the situation," but it could involve more troops than other such moves in recent years, the senior official told AGENCE FRANCE-PRESSE.

"If the situation permits, why not plan to withdraw 50,000 to 60,000 men at one time," he said. But he indicated that this year's troop withdrawal had not been on anything like this scale.

Vietnam has around 140,000 troops in Cambodia, according to Western estimates, fighting Cambodian resistance forces whose permanent presence on Cambodian territory is estimated at between 10,000 and 15,000 guerillas. Hanoi has announced five partial troop withdrawals since 1982, each involving about 10,000 soldiers, but Western military experts have said they were simply troop rotations. Vietnam has said it will withdraw all its troops from Cambodia by 1990.

The senior Vietnamese official said the military situation within Cambodia so far during the current dry season had been "better" than this time last year. "The Khmer Rouge have not yet launched any major attacks," he said, but at the same time "the situation along the (Thai) border is more complicated because of incursions by the Thai Army." In recent months, Vietnam and Cambodia have repeatedly denounced what they charge is an increasing involvement of the Thai Army with Khmer guerrillas fighting against the Hanoi-backed Cambodian Government of Heng Samrin.

Within Cambodia, "the battle is showing signs of being waged more on the political front," the Vietnamese official said. "The Khmer Rouge has intensified its political activities (among the rural population) because they need to recruit new forces to compensate for losses. They are also currently preparing for an eventual political solution (to the Cambodian conflict)," he said. "In any case, the date for the withdrawal of Vietnamese troops from Cambodia by 1990 is unchanged."

FURTHER REPORTAGE ON NATIONAL ASSEMBLY SESSION

Vo Van Kiet Report, Installment 1

BK291144 Hanoi Domestic Service in Vietnamese 1100 GMT 26 Dec 86

[First installment of 24 December report on the 1987 socioeconomic development plan by Vice Chairman of the Council of Ministers and Chairman of the State Planning Commission and party Central Committee Politburo member Vo Van Kiet to the 12th session of the 7th National Assembly on behalf of the Council of Ministers]

[Text] At the 12th session of the 7th National Assembly, on behalf of the Council of Ministers, Comrade Vo Van Kiet, vice chairman of the council and chairman of the State Planning Commission, presented to the National Assembly a report on the 1987 socioeconomic development plan. The report is composed of three parts:

- I. The Implementation of the 1986 Socioeconomic Plan;
- II. The Main Tasks, Targets, and Measures of the 1987 Socioeconomic Plan; and
- III. Some Issues Concerning the Guidance of Implementation.

In this program, we will present the first part of the report on the implementation of the 1986 socioeconomic plan. You are now invited to listen to this part.

Part I

The Implementation of the 1986 Socioeconomic Plan [subhead]

Comrade National Assembly Deputies: The 1986 state plan was implemented at a time when the socioeconomic situation was strewn with many difficulties. The causes of these difficulties were objective ones, but the main cause was our shortcomings in guidance over implementation. Besides the planned targets that were fulfilled or overfulfilled in comparison with those of 1985, and besides a number of good models of business activities which continued to emerge and scored many new achievements, there still were several other important planned targets which remained unfulfilled or, in some respects, were fulfilled at a lower level than in the previous year. The general situation is still developing in a complex manner.

Following is the specific status of the implementation of the 1986 state plan:

1. Concerning agricultural production, we made some progress such as fulfilling the rice area plan of the entire country, obtaining fairly good winter-spring and summer-fall rice yields in the south, and developing the winter subsidiary food crops in the north in terms of area, yield, and output, especially as far as potatoes and maize are concerned. However, successive natural calamities greatly affected production work in some regions, especially in the north and the central coast. Worse still, these natural calamities concentrated in provinces traditionally considered the rice basket of the Bac Bo Delta, such as Hai Hung, Thai Binh, and Ha Nam Ninh. What should be stressed here is that a balance of material conditions was not ensured, especially with regard to fertilizers and insecticides. This responsibility rests primarily with the Council of Ministers, the State Planning Commission, and the Ministry of Foreign Trade which failed to work out measures to provide timely guidance for the use of the source of foreign exchange for this purpose. As a result, the average annual rice yield stood at only 28.3 quintals per hectare compared with the planned target of 30.4 quintals per hectare. Regarding subsidiary food crops, production fell short of the plan and both area and output continued to drop, although there was a slight increase in the north. The shortcomings in investment and in the organization of subsidiary food crop production and marketing have been pointed out for several years, but concrete measures and policies have yet to be devised to solve this problem. As a result, there has been in fact no significant progress in this matter.

In toto, grain output for the whole year was estimated at 18.5 million metric tons in paddy equivalent. Although this figure showed an increase of about 300,000 metric tons over 1985, it fell short of the plan by 1.5 million metric tons.

Grain procurement has failed to attain the planned target. While the target for the transportation of rice from the south to the north has been poorly met, the north has had to provide assistance to areas stricken by natural calamities. That is why the grain situation in the state-run sector in the north continues to be beset with difficulties.

Industrial crops reached 93.3 percent of the planned target for acreage, up by 4.8 percent over that of 1985. Short-term industrial plants, however, covered only 88.6 percent of the plan or equal to 1985. Peanut, soybean, jute, and cotton crop production showed some increase over 1985 but sugarcane and tobacco crop production dropped. This is chiefly because contracts were signed too late, material conditions were not promptly guaranteed, and the buying price was not appropriate.

The cultivation plan for long-term industrial crops such as rubber, coffee, and tea was fulfilled and there was some progress in carrying out intensive cultivation in existing areas: The output of coffee increased by 25 percent, and tea by 12 percent over 1985.

In livestock-breeding, the cattle population has met the planned target and rose by 7 percent while the buffalo and poultry population was higher than the 1985 mark but fell short of the target. The hog population in particular has reached a level almost equal to that in 1985. Apart from the reason for the shortage of animal feed, the price for pork has not been able to catch up with the fluctuations of food prices and has therefore affected the growth of the hog population. The circulation of cattle and animal husbandry-related products between various areas continues to meet numerous impasses.

The volume of marine products caught has attained the planned target and has increased by 3.3 percent over that in 1985. The movement to raise shrimp for export, especially in the Mekong River Delta, continues to expand.

Afforestation work in many areas has experienced changes for the better: In centralized afforestation, we have attained 166,000 hectares, thus exceeding the plan's target and representing an increase of 12 percent over 1985. The area of jungle being burnt down and the bad practice of deforestation have, though showing some signs of decrease, remained serious.

2. Industrial, small-industry, and handicraft production. Right from the beginning of the year, we have advocated bringing consumer and export goods into vigorous play. The output of many products has increased markedly such as curtain fabric, up by 56 percent; towels, up by 46 percent; and monosodium glutamate, up by 47 percent. The output of local industries also increased in a number of provinces and cities such as Hanoi, up by 9.4 percent; Haiphong, up by 11 percent; Dong Nai, up by 15 percent; and Binh Tri Thien, up by 9 percent. However, generally speaking, the value of the consumer goods industry rose only 6.3 percent over that in 1985 while the set plan required an increase 9-10 percent. In small-industry and handicraft production in particular, though having great potential, it rose only 4.3 percent. The main reason for this is that the plan for the purchase of raw agricultural materials was not attained and there was a lack of policies aimed at tapping the latent potential of the state-run economic sector and of other economic components such as handicraft cooperatives and family and private economies.

Responsible organs at the central and local levels have yet to pay attention to meeting and providing promptly raw materials, supplies, and food provisions to the cooperative sector. Low labor cost has provided no incentive to the laboring people.

A major shortcoming is that the import of supplies and raw materials needed for the production of consumer goods has not been dealt with promptly. The already-limited source of supplies and raw materials has been used in an unconcentrated manner on essential products.

Worthy of note is that product quality continues to decrease, especially that of consumer goods such as bicycles, bicycle tires and inner tubes, electric bulbs, thermos bottles, fountain pens, soaps, and matches.

In heavy industry, the plan for some branches like coal mining, steel, tin, lighters, electric motors, transformers, pumps, tractors, and phosphate fertilizer was fulfilled. The plan for electricity generating and cement production was poorly met. Coal quality was not guaranteed.

3. The communications and transportation sector fulfilled the plans for transportation of imports and transportation of goods to the northwestern provinces. However, only 83 percent of the plan for transportation of goods between the north and the south were fulfilled while all the plans for transportation of coal, cement, apatite, supplies, and goods to the northern border provinces were unfulfilled. Passenger transportation -- despite a 9 percent increase, due mainly to the efforts of various localities to create additional material conditions -- was still unable to meet demand, and the moving of people was still beset by many inconveniences and difficulties. This was due, on the one hand, to insufficient and unsteady goods supplies and to shortages of materials, fuel, and spare parts, and, on the other hand, to the lack of harmonious coordination among different intermediary transportation units.

The post and telegraph sector consolidated its shortwave telecommunications centers in Hanoi, Danang, and Ho Chi Minh City and strengthened information services at various borderlines and some key state projects. However, the quality of telephone service was still poor and there were still delays and losses of letters, official correspondence, mail, items, and parcel post.

4. In capital construction, capital and material conditions were concentrated on key targets and the pace of construction of key state projects -- such as the Hoa Binh, Tri An, and Pha Lai electric power plants; the Quy Hop tin mine; the Vang Danh coal mine; and the Dau Tieng and Thach Nham water conservation projects -- was ensured. Construction of the fourth generator unit of the Pha Lai electric power plant was completed and the unit was put into operation.

The plan for rubber, coffee, and tea planting was fulfilled, while the irrigated area was increased. A number of cities and towns built more residential houses and took a further step in resolving the problem of drinking water supply.

It is worth noting that although a policy was adopted early in the year to cut investment capital, implementation was slow. Some ministries and localities not only failed to reduce investment capital but, on the contrary, requested a further increase. This led to a 40 percent increase in local budget investment capital over the planned target. On the other hand, the prices of construction materials and wages also increased, resulting in a corresponding increase in the costs of each project. For this reason the total investment fund for capital construction has exceeded the level approved by the National Assembly. Although there was a surplus of construction materials due to a reduction in the investment capital of some projects, that surplus had to be sent as supplementary supplies to other key projects.

5. Export value and the export of many important kinds of goods fell short of the plan. Most noteworthy was the export of vegetables and fruits, which achieved only 71 percent of the planned target. The central government failed to control enough foreign exchange necessary to import materials to satisfy the pressing demands of the economy. Competition in the purchase of export goods, which caused prices to increase, remains prevalent.

The policy regarding investment in production for export, purchase prices, the organization of purchase activities, and the rearrangement of the export-import organization, and so forth, has yet to be resolved satisfactorily, thereby affecting considerably the scope and effectiveness of export-import activities.

6. In the distribution of manpower, right from the beginning of the year, the standing body of the Council of Ministers has paid attention to providing guidance to new economic zones while the State Planning Commission has doubled the capital investment in these zones and has set aside 50 percent of the funds for concentrated investment in three Central Highland provinces in order to create the infrastructure for new population centers. The in-province distribution of manpower has been satisfactorily brought into play in various localities such as Hau Giang, Cuu Long, and Quang Nam-Danang. In sending the people to new economic zones, various measures have been settled in a more practical manner between the delivering and recipient localities.

The norm for moving people to new economic zones, though increasing by 5 percent over that in 1985, reached only 55 percent of the plan. The main reason for this is that many policies have not been supplemented or revised. The allocation of materials and food provisions to new economic zones has not been uniform and timely. The handing over of funds to localities that receive the resettlers has not been settled categorically. The mechanism that guides the distribution of manpower and population at various echelons has yet to be organized uniformly. There have been mid-year decisions -- taken out of a fear of inadequate preparatory conditions -- to slow down the process of sending people to new economic zones.

In the state sector, due to a shortage of materials and funds, production has been disrupted and there has been a lack of stable jobs for laborers in a number of sectors, especially in capital construction. The streamlining of the state apparatus has yet to be carried out and there has been an absence of specific policies and measures for this. This has resulted in much confusion. A number of provinces and cities did proceed with rearranging their organization and streamlining their administrative staff. However, generally speaking, no remarkable changes have been noted.

7. Distribution, circulation, and lifestyle: In conducting collection and purchase activities to secure the sources of goods, excluding the price factor, the value of agricultural products collected and purchased in 1986 accounted for only 64 percent of that in 1985. The purchase of a number of essential agricultural food products such as pork, fish, soybeans, and sugarcane reached only 70-80 percent of the planned target. The main reasons for this are that prices have yet to be fixed appropriately, there is a shortage of materials and goods for use in economic contracts, and the market has been under loose control, thereby leaving private traders to compete with the state for buying goods. The volume of industrial goods secured under control constituted only 85 percent of that in 1985. This has excluded the price factor.

A number of products of state-run enterprises have been stolen. Due to price fluctuations, many units have held back their goods, waiting for better prices and, as a result, have failed to observe the discipline in the delivery of products.

As for goods belonging to the small-industry and handicraft sector, apart from the portion done under contract just for labor, the state has been able to get hold of 30-40 percent of the total.

The total volume of retail goods on the organized market, excluding the price factor, constituted only 86 percent of that in 1985. The retail level of many important goods catering to the people's life has fallen short of the plan. For example: pork attained only 89.7 percent; fresh fish, 93 percent; sugar, 59.6 percent; and fish sauce and seasonings, 68.5 percent.

In the organized market, there still exists a lot of confusion. Many organizations, units, and public organs without any trade functions have continued to engage in trade. Market control has continued to be lax and there has been a failure to curb activities of private traders, especially speculators, blackmarketeers, and embezzlers of state-owned materials and goods.

All cash budgets are exceeding receipts. Budgetary and money overexpenditures have all exceeded the projected plan. As a result, throughout 1986 the prices on the social market have continued to increase at a fast rate.

The people's lifestyle, notably that of workers and civil servants and especially those in the administrative and service sectors, in various state farms and forestry sites, as well as in various mountainous and border provinces, has become more difficult. The newly-promulgated wage system has exposed many irrationalities. The enforcement of the wage and allowance systems indexed to cost-of-living increases has not been uniform, thereby increasing confusion in distribution and a state of unevenness in income between various areas. The provision of grain, food, and consumer goods to various cities, large industrial complexes, and border and remote areas remains intermittent and there has been a failure to ensure the standards for quota.

The cost-of-living index has been fast increasing, thereby rendering the real income of wage earners smaller.

Peasants in areas stricken by typhoons and floods have met with numerous difficulties in grain. Even in certain areas where the average grain output is high, there are still some compatriots without enough food to eat due to unsatisfactory regulation of grain.

8. In the scientific, technological, cultural, and social fields: Scientific-technological work has made some new progress in the introduction of high-yield, pest-resistant rice varieties and highly productive corn strains. We have continued to carry out with success many capital survey to evaluate our latent potentials, have decided on a number of sketches for the development and distribution of the production forces of provinces and of almost all those districts already having a general plan.

The educational sector implemented the reform program up to grade 6 and expanded vocational training for students. Enrollment in general schools for the 1986-1987 academic year increased by 1.2 percent over the previous year while the numbers of textbooks went up by 16 percent.

Many new efforts were made in cultural, artistic, information, exhibition, library, and radio and television broadcasting activities, especially during the drive in honor of the party congress. The planned targets for books and periodicals publication, printing, and distribution were fulfilled or overfulfilled. The numbers of people attending film and artistic shows increased over 1985.

The public health sector made efforts in disease prevention and treatment, combined the use of modern with traditional medicine in many forms, and expanded out-patient and home medical treatment services. The family planning movement was given greater attention by various sectors and localities; the population growth rate decreased by almost 0.1 percent in comparison with that in 1985. The sports and physical education movement was maintained and developed.

Generally speaking, we entered 1986 with major difficulties carried over from the previous year. There were serious imbalances in material and goods supplies; the errors made in the readjustment of prices, wages, and money circulation were strongly felt; natural calamities were more serious than the preceding years; the new managerial mechanism was not yet set up; many necessary economic control policies were not studied and promulgated. Meanwhile, management was not centralized and really effective measures were not adopted to resolve pressing problems.

The implementation of the state plan yielded some results in the field of agricultural and industrial production as well as in the cultural and social domains. These results reflect the great efforts of our people in all localities throughout the country, especially in the areas affected by natural calamities. Although the important general targets of the economy were not fulfilled according to plan, they still represented an increase over 1985. Gross social product was up by 4.2 percent, national income by 4.3 percent, industrial output value by 5.6 percent, and agricultural output value by 1.4 percent.

The direct cause of the shortcomings in 1986 mainly lies in the following:

First, the 1986 plan was formulated at a time when there still were serious imbalances in the provision of many kinds of supplies and raw materials and when many systems and policies had not yet been clearly defined. On the other hand, due to our failure to fully foresee the complex developments of the situation and to correctly assess our capability of balancing supply and demand, a number of targets were set too high and there was a lack of uniformity in the measures adopted to achieve these targets.

Second, concerning prices, wages, and money: Although the Council of Ministers and its Standing Committee devoted much time to dealing with these issues, they did not obtain the expected results. Order and discipline regarding finance, money, and prices were still not restored.

Third, there was still much confusion in material supplies due, on the one hand, to frequent changes of systems and, on the other hand, to the lack of discipline and the failure to implement strictly the targets of the state plan. Because of the lack of smooth relations between various sectors and localities, the signing of contracts was beset by many difficulties and supplies were not directly delivered to producers and were scattered and lost while being transferred through numerous intermediary links, thereby creating loopholes for speculators and smugglers to exploit. The prevalent state of affairs was that supplies could not be accounted for, were used haphazardly and not according to the planned targets, and were still liberally squandered. The central government still lacked an appropriate policy aimed at exerting its right to unified management of foreign trade and foreign exchange and was unable to control the amount of foreign exchange needed for the importation of supplies and raw materials.

Fourth, law and regulations were enforced too loosely in the implementation of the planned targets and of state policies and procedures. Social negativism tended to increase, and the role of inspection and control organs were not adequately brought into play.

Fifth, the organizational, guidance, and managerial work of the Council of Ministers in the implementation of plans showed numerous weaknesses and shortcomings. Economic management instruments such as planning and economic control policies were not shaped and perfected and plans did not really serve as the main tool of the managerial system.

This state of affairs demands that in 1987 there must be radical changes in economic guidance and management in order to gradually stabilize socioeconomic activities.

Development Plan Adopted

BK300459 Hanoi Domestic Service in Vietnamese 2300 GMT 29 Dec 86

[Text] As we have reported, the 12th Session of the 7th National Assembly has adopted a resolution on the 1987 socioeconomic development plan. The content of the resolution is as follows:

1. Ratify the Council of Ministers' report on the implementation of the 1986 socioeconomic plan.

2. Define the orientations and tasks of the 1987 socioeconomic development plan and the major targets as follows:

- Gross social output is expected to increase by 7.8 percent, and national income by 7.9 percent over 1986.

- Total industrial output will be up by 9 percent over 1986, with the industrial output value of consumer goods increasing by 10 percent.

- The value of total agricultural output is expected to increase by 6.2 percent over 1986. Grain output in paddy equivalent will be 19.2 million metric tons. The amount of grain procured by the state will total 4.5 million metric tons in paddy equivalent.

- The total sum to be invested in capital construction will increase by 6 billion dong, with 22 billion coming from the central government's funds and 4 billion from local funds and funds acquired by grass-roots units themselves.

- The value of export goods will total 850 million rubles and dollars [units of currency as heard].

- The area of new forest planted concentratedly will cover 140,000 hectares.

- The number of hogs is to reach 12.5 million head, an increase of 6 percent over 1986.

- Marine products will total 620,000 metric tons, an increase of 5 percent over 1986.
- Electricity output is targeted at 6.132 billion kwh, up by 9.4 percent over 1986.
- The output of washed coal is set at 6.5 million metric tons, an increase of 5 percent over 1986.
- The amount of domestic freights will be 8.6 million metric tons or 7.19 billion metric tons/km, an increase of 5.5 percent in tonnage or 6.6 percent in tons/km over 1986.
- The number of general education students reporting to class at the beginning of the school year is expected at 12.793 million, an increase of 2.2 percent over 1986.
- The population growth rate is set at 2 percent.

3. The Council of Ministers is entrusted with the responsibility to continue studying and dealing with issues raised by the Economic, Planning, and Budget Committee, the Nationalities Council, other standing committees of the National Assembly, and National Assembly deputies in order to supplement the various measures and policies; to formulate and implement satisfactorily the three major economic programs concerning grain and food, consumer goods, and export goods; to proceed with renovating the mechanism of economic management based on the principle of democratic centralism with planning serving as the linchpin and on the application of economic accounting and socialist business; to strengthen the central government's right to leadership and centralized and unified management while developing the initiative and responsibility of localities and enhancing the right to autonomy in production and business as well as the right to collective mastery of the masses and grass-roots units; to restore order and discipline in economic management; and to uphold discipline and the law of the state.

It is necessary to really renovate supervisory work and the organization of cadres; adopt special, urgent measures to overcome and deal with problems concerning finance, money, prices, wages, technical supplies, investments in capital construction, export and import of foreign currencies, and communication and transportation; and bring into play the aggregate strength of the entire country to implement successfully the 1987 state plan with the aim of stabilizing by a step further the socioeconomic situation.

4. The National Assembly calls on compatriots and combatants throughout the country to uphold patriotism and love for socialism; enthusiastically emulate in productive labor; practice thrift; increase labor productivity; enhance the quality and efficiency of production, business, and other work; scrupulously observe discipline and the law of the state; effect a pure, industrious, economical, simple, and civilized life-style; resolutely struggle against negative phenomena in the economy and social life; and develop the success of the Sixth CPV Congress in an effort to comprehensively overfulfill the 1987 state plan and score numerous achievements in the undertaking to build socialism and defend the Vietnamese socialist fatherland.

Hanoi Reports Closing Session

BK291504 Hanoi Domestic Service in Vietnamese 1430 GMT 29 Dec 86

[By station correspondent]

[Text] After 5 days of intensive work with a high sense of responsibility, this afternoon, 29 December, the 7th National Assembly of the SRV solemnly closed its 12th session at the Ba Dinh Conference Hall in Hanoi.

Attending the session were Comrades Nguyen Van Linh, general secretary of the CPV Central Committee; Truong Chinh, chairman of the Council of State; Pham Van Dong, chairman of the Council of Ministers; Nguyen Huu Tho, chairman of the National Assembly; and many other comrade party and state leaders.

At 1630 [0930 GMT], the session began. Chairman Nguyen Huu Tho directed the session.

In this afternoon's session, the National Assembly passed the draft law on marriage and family, the resolution on the 1987 socioeconomic development plan, the resolution on the 1987 draft state budget, and the resolution ratifying the final statement of the 1985 state budget. During this session the National Assembly deputies also unanimously adopted a statement by the SRV National Assembly in response to the appeal by the USSR Supreme Soviet to national assemblies and nations around the world concerning the need to take firm action to build a world free of nuclear weapons. The statement was read by Comrade Nghiem Chuong Chau, member of the National Assembly Secretariat.

[Begin Nghiem Chuong Chau recording] Statement by the National Assembly of the Socialist Republic of Vietnam:

With a deep sense of responsibility for the cause of peace and the security of nations, the seventh National Assembly of the SRV, at its session on 29 December 1986, warmly welcomed and fully supported the appeal addressed by the Supreme Soviet of the USSR on 19 November 1986 to the parliaments and nations around the world concerning the need to take firm action to build a world free of nuclear weapons and to ensure equally stable security for all states and nations.

Today, mankind is facing a turning point in its choice concerning issues of a global character. Never before was the danger of nuclear war caused by imperialism as great as it is at present. Mankind's only choice is to preserve life on earth, to compete economically and in the way of life under conditions of peaceful coexistence and the development of broad international cooperation. The appeal for peace by the Supreme Soviet of the USSR expresses the cherished aspirations of all nations, shows a great sense of responsibility in the struggle for the destiny of humanity, and enjoys strong support throughout the world.

Over the past nearly 1 year, since the famous 15 January 1986 statement by Comrade Gorbachev, general secretary of the CPSU Central Committee, on a comprehensive program aimed at completely liquidating nuclear weapons from now until the end of the century, the Soviet Union has repeatedly put forth important peace initiatives which strongly reflect its tireless struggle for a world free of nuclear weapons, for the nonuse of force in international relations, and for the building of a comprehensive international security system in all domains -- military, political, economic, and social.

The Soviet Union has unilaterally halted its nuclear weapons tests for more than 1 year. These great initiatives have raised the Soviet Union's consistent policy of peace to a new historical height. The Soviet Union has become the bastion of world peace and a source of great encouragement for the world people's struggle for peace and progress.

Opposed to the practical, noble, and goodwill actions of the Soviet Union, the United States still clings to its outdated policy, scheming to achieve military superiority over the Soviet Union, continuing to engage in the arms race and step up the militarization of space, continuing to carry out nuclear weapons tests, and seeking by all means to evade the agreements reached at the Soviet-U.S. summit at Reykjavik on the possibility of completely eliminating nuclear weapons. Recently, the United States even declared its renunciation of the Strategic Arms Limitation Treaty II. Obviously, the U.S. actions are a serious challenge to international peace and security.

The National Assembly and people of Vietnam fully support the urgent appeal of the Supreme Soviet of the USSR addressed to the parliaments and peoples of the world as well as the peace initiatives put forth by the Soviet Union, especially the historically important New Delhi statement signed recently by the Soviet Union and India on the principles of a world free of nuclear weapons and of the nonuse of force in international relations.

Implementing the foreign line of peace and friendship recorded in the SRV Constitution and affirmed recently by the Sixth CPV Congress, the SRV National Assembly and the Vietnamese people pledge to unite with the parliaments and peoples of the fraternal socialist countries and with all nations in the world to struggle and intensify their actions to build a world free of nuclear weapons and to bring about lasting peace and stable security for all states and nations on earth.

Hanoi, 29 December 1986 [applause] [end recording]

At 1730 [1040 GMT], National Assembly Chairman Nguyen Huu Tho read a speech to close the 12th session of the 7th National Assembly.

[Begin recording] Esteemed Comrade General Secretary Nguyen Van Linh, esteemed Comrade Chairman of the council of Ministers Pham Van Dong, dear comrade National Assembly deputies: Today, our National Assembly has satisfactorily concluded the last session of the Seventh National Assembly.

In light of the resolutions of the sixth national party congress and with a sense of responsibility toward the people, the National Assembly scrupulously reviewed the implementation of the 1986 state plan and state budget, discussed and decided the 1987 state plan and state budget, ratified the final account of the 1985 state budget, affirmed the achievements recorded in 1986, and pointed out the shortcomings and difficulties in economic management and social management that must be overcome. It also pointed out the need to truly change the supervisory and managerial work of the Council of Ministers and all state organs, and resolutely adopted emergency measures for socioeconomic tasks in 1987 so as to change the situation step by step and advance the country steadily.

On this occasion, the National Assembly warmly commended the people and soldiers throughout the country, especially the Armed Forces and people in the northern border provinces and our compatriots in the areas affected by natural calamities, for having surmounted all difficulties and ordeals, worked diligently, and fought gallantly, thereby scoring many outstanding achievements in production and fighting. [applause]

The National Assembly unanimously adopted the marriage and family law. It is necessary to implement scrupulously this law in order to contribute actively to building civilized and happy socialist families. The National Assembly highly valued the results of the activities related to foreign relations by our party and state in the recent past and issued a statement warmly responding to the appeal of the Supreme Soviet of the USSR on its decisive action to build a nuclear-free world.

Dear comrade National Assembly deputies, the term of office of the seventh National Assembly will end in June 1987 when the new National Assembly holds its first session. Our National Assembly has performed our work scrupulously and has attached importance to legislative and control work aimed at actively implementing all resolutions and policies of the party and state. Legislative work has been further intensified and the implementation of the National Assembly's right of control over the activities of the Council of Ministers, the People's Supreme Court, the People's Supreme Organ of Control, and other state organs has attracted attention and has made headway.

However, there are still many shortcomings and weaknesses in the activities of the National Assembly. The socioeconomic situation and the people's livelihood have not yet been stabilized. Proletarian dictatorship has slackened. Socialist democracy has not been satisfactorily implemented. State discipline has not been strictly observed. The law has not been scrupulously enforced. Manifestations of negativism in socioeconomic life still have not been effectively prevented. The National Assembly would like to scrupulously criticize itself and accepted the part of its responsibility in failing to fulfill its duty toward the people and to satisfy the cherished aspirations and expectations of the people.

After this session, the Nationalities Council, other standing committees of the National Assembly, and all delegations of National Assembly deputies must finish reviewing and drawing upon the experience of their activities in this term of office.

In the spirit of solidarity and renovation, let us, National Assembly deputies, actively participate in the masses; revolutionary actions and organize a vigorous socialist emulation movement throughout the country to successfully implement the resolution of the sixth national party congress and to completely fulfill and overfulfill the 1987 state plan.

On the occasion of the new year of 1987, I affectionately wish the comrade deputies good health and good results in your missions.

I hereby declare the 12th session of the 7th National Assembly closed. [applause]
[end recording]

NDF LISTS 'POSSIBLE VIOLATIONS' OF TRUCE BY ARMY

HK301243 Hong Kong AFP in English 1231 GMT 30 Dec 86

[Text] Manila, Dec 30 (AFP) -- Communist rebels here Tuesday released a list of 17 "possible violations of the ceasefire" by the Philippine military in reply to accusations that they had broken the truce they signed with the government.

The alleged violations since the December 10 signing of the 60-day truce, included arrests, torture, harassment and intimidation of communist sympathizers by the military nationwide.

The list of violations was read out to a press conference by negotiators of the National Democratic Front (NDF), a coalition which represents the communist rebels in their talks with the government.

One of the NDF negotiators, Antonio Zumel, however, played down the importance of the alleged violations", saying: "We don't think they warrant a discontinuancy of the ceasefire."

The publication of the list, on the occasion of the opening of an NDF office at the National Press Club, appeared to be a propaganda move aimed at matching military charges that the rebels were guilty of 25 "possible violations," observers said.

The two NDF spokesmen said they will report the alleged violations to the National Ceasefire Committee, (NCC), an independent panel of five members charged with overseeing the truce.

They also said that the violations were "the direct effect of a primer issued by Army chief, General Fidel Ramos to the troops in the field".

They accused Gen. Ramos of having advised his field commanders to consider as "an hostile act" what they called "revolutionary taxation" by the NPA.

They said that such guidelines by the Army had not been authorized by the NCC and should therefore be discounted.

"Revolutionary taxation" involves the exaction of funds from businesses and residents in areas influenced by the NPA. The military says such exactions are a form of extortion and thus, are illegal.

The NDF negotiators also distributed to journalists, a document they said was a copy of an Army bulletin, dated November 13, in which the military were encouraged "to spread rumours" and "use half truths" in order to win the propaganda war with the insurgents.

NDF REPORTEDLY PLANS TO 'DO AWAY' WITH GOVERNMENT

HK261139 Manila Radio Veritas in Tagalog 1000 GMT 26 Dec 86

[Text] RV Balita [Radio Verita News] is trying to get in touch with high-ranking military officials regarding reports that the communist rebels are preparing to do away with the government next year. Included in these preparations is the propaganda which the National Democratic Front [NDF] will publicize to pressure the government to grant them their demands in the next negotiations. One of the NDF's demands is the formation of a coalition government that will form its own constitution aside from that which was drafted by the constitutional convention. The representatives of the government and the NDF will meet again on 3 January next year.

COMMITTEE HEAD URGES CEASE-FIRE ADHERENCE

HK270652 Manila MANILA BULLETIN in English 26 Dec 86 pp 1, 5

[By Rod L. Villa, Jr]

[Text] Bishop Antonio Fortich, chairman of the National Ceasefire Committee (NCC), called on all armed sectors yesterday not to violate the truce agreement on the 18th anniversary of the Communist Party of the Philippines (CPP) today.

He said the people have all the reason to rejoice over what he described as "the most peaceful Christmas Day in nearly 20 years" yesterday, which he described as "an initial triumph of the fragile ceasefire."

Commission on Audit Chairman Teofisto Guingona, head of the panel of government negotiators, cautioned the National Democratic Front (NDF), particularly the New People's Army (NPA), against any "unusual demonstration" that could outrage the "silent majority" and spur the New Armed Forces of the Philippines (NAFP) into taking "defensive measures."

NDF negotiators Antonio Zumel and Satur Ocampo said they have the assurance of the 12 affiliate organizations of the NDF to abide by the ceasefire. In turn, they asked the NCC to focus its attention on "armed rightist extremists bent on sabotaging the truce."

Fortich said local ceasefire committees -- reinforced by leaders of non-government organizations, religious associations, and civic sectors -- were in place to monitor armed activities in "possible flashpoints" particularly in Central Luzon, the Visayas and Mindanao.

The NCC office in Diliman, Quezon City, had not received any new report of violent incidents related to the ceasefire up to press time last night.

Fortich said the committee was relying on the "sincerity of purpose" of the leaders of the opposing camps, as he stressed the "unswerving determination of the NCC to stay harshly neutral" in overseeing the ceasefire.

Guingona said the new atmosphere of freedom, peace, and brotherhood pervading the policies of the Aquino government should challenge the NDF to pursue its avowed aim to mutually achieve a lasting national peace.

In past CPP anniversaries, the rebels staged ambushes and similar violent activities to celebrate the occasion.

Guingona reiterated the government's sincerity in pursuing peace by offering a broad program focused on the welfare and rehabilitation not only of the rebels but other sectors of the community, particularly the abused and the deprived.

Guingona said the program, a number of whose components are even now being implemented, should initially win back to the fold of law thousands of farmers and other persons who joined the rebel movement not for ideological reasons but because they were outraged by the injustice and inequities of the past regime.

Guingona said a stable and constitutional government remains the strongest guarantee of tranquility and a harmonious national movement toward peace and prosperity.

His views were shared by Jaime Guerrero and Maria Serena Diokno, the two other members of the government negotiating panel.

Addressing himself to the NDF, Guingona said, "This government is your government. It has a fresh mandate from the people, has repealed many of the oppressive decrees of the past regime, restored press freedom, stopped abuse against human rights, restored the right to strike and other enlightened orders for the good of labor. It is in the process of implementing vital programs such as land reform, social amelioration, economic and social change for the uplift of the common man."

He asked the NDF to join in the campaign for the ratification of the new constitution in the Feb. 2 plebiscite.

He called on the NDF to endorse the government's economic recovery program which would generate jobs.

He said that while the agenda covers a wide range of social and economic changes, it is necessary to resolve issues in the context of the 1986 constitution.

"Any vital change -- whether political, economic, or social -- can be, and should be, resolved within the context of the new charter," Guingona said, "It is the basis of government, the bedrock of our concern for all the people."

Meanwhile, Luis Jalandoni said a move was gaining for the formation of an international monitoring team to assist in supervising the ceasefire process.

He said these groups have pledged not to intervene in internal affairs. They would only inform the world of the progress of the amity talks as a deterrent to abuse, distortion, or violation.

COMMUNISTS DENOUNCE GOVERNMENT AMNESTY OFFER

HK261250 Hong Kong AFP in English 1245 GMT 26 Dec 86

[By Yasmin Arquiza]

[Text] Orion, Philippines, Dec 26 (AFP) -- Filipino communists denounced an amnesty offer from the government and vowed to "continue the struggle until victory" in an 18th anniversary celebration here Friday.

More than 50 fully-armed guerrillas from the New People's Army (NPA), the armed wing of the banned Communist Party of the Philippines (CPP), joined some 2,000 people for the anniversary rally at this little town in Bataan Province west of Manila and some 30 kilometers (18 miles) from a U.S. naval base, eyewitnesses said.

The dismantling of two large U.S. military bases here is one of the demands of the CPP-led National Democratic Front (NDF) coalition, which is negotiating for a political settlement with President Corason Aquino's government.

Friday's anniversary celebration came as a 60-day renewable ceasefire between the NPA and government troops entered its third week. Military officials complained that a similar gathering a day after the truce took effect was a "violation" of the ceasefire.

"We denounce the clever and reactionary call of the government for surrender, offer of amnesty and active spread of anti-communism," a young girl atop a makeshift stage read from a statement of the CPP in Bataan Province.

The government had offered "honorary amnesty" for rebels who gave up the armed struggle when the two sides exchanged their proposed agendas for the peace talks Tuesday, while the communists formally proposed a power-sharing arrangement.

A large streamer with the words "hail the 18th anniversary of the CPP in the national democratic revolution" and two flags with the hammer-and-sickle emblem adorned the stage under mango trees in the middle of a clearing.

Workers, students and peasants in slippers and red shirts waved red pennants and cheered wildly when the NPA's, their M-16 Armalites adorned with red ribbons, emerged from the nearby woods to join the rally.

Earlier, several military trucks carrying armed soldiers and streamers proclaiming "yes to democracy, no to communism" were seen on a highway a few metres (yards) from where the rally was held.

Rally speakers said it was the first time in its 18-year history that the CPP had invited a large number of delegates to the annual anniversary gathering.

A small group of university ideologues founded the CPP in 1969, and the NPA followed three months later.

Both groups expanded rapidly during the latter days of deposed President Ferdinand Marcos's 20-year rule, when human rights abuses and grinding poverty drove thousands of Filipinos to the left.

"The party's 18th year manifests 18 years of the people's unstinting support for the party, to which it has responded with unrelenting participation, service and leadership," a CPP anniversary statement read.

No mention was made of the CPP's disastrous boycott of February's presidential elections, which deprived the party of a key role in the subsequent military-civilian uprising which toppled Mr Marcos and swept Mrs Aquino to power.

The latest issue of THE NATION, the CPP's official organ, criticized the Aquino government's proposed agenda for the peace talks as having a "narrow, reformist and counterrevolutionary character." Mrs Aquino has vowed to unleash a retrained and rearmed military against the communist rebels if the peace talks fail.

The Presidential Palace said Friday that the government would not allow detained communist leader Rodolfo Salas to join the rebel panel in the peace talks. The NDF had demanded the release of Mr Salas in their proposed agenda for the talks. The request for Mr Salas's release was "an act of disregard for the laws of this country," a palace statement quoted Press Secretary Teodoro Benigno as saying.

Mr Salas, said by the military to be a CPP and NPA leader, was arrested in September and is currently detained in suburban military camp.

Mr Benigno said if the NDF negotiators insisted on the release of Mr Salas and the other demands in its agenda, the talks would end up as "a dialogue with the deaf."

BENIGNO ON COMMUNIST'S CONTINUED REBELLION

HK280540 Baguio City Mountain Province Broadcasting Company in English 0400 GMT
28 Dec 86

[Text] Despite the conciliation efforts by the government, Press Secretary Teodoro Benigno said yesterday the Communist Party of the Philippines has not wavered in its bid to overthrow the present government and to establish its own authority by force. Because of this avowed policy, Benigno said the government will continue to detain captured rebels as subversives and insurgents, and therefore subject to the law of the land. Benigno made the comments to reiterate the government's policy denying a request from the National Democratic Front to release captured communist leader Rodolfo Salas, also known as Commander Bilog.

He said Mrs Aquino tried to reconcile all the diverse factions of society when she assumed power by releasing political prisoners. This was also in fulfillment of the promise she made during the election campaign. But even after she had fulfilled the promise, Benigno said, the communists never stopped the insurgency. The insurgency continued against the government because the aim of the communist insurgency is to capture political power, Benigno said.



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Dec. 30, 1986

